



GLANMIRE

“FAI plans for use of leased 30-acre site at Brooklodge in Glanmire, Co. Cork”

BACKGROUND:

In 2019 the FAI submitted a request for a grant support for Phase 1 of development of the proposed FAI Munster Centre of Excellence in Glanmire, Co. Cork. The cost of Phase 1 of the development was €3.8m of which we were grateful in securing €2m of grant support. This was awarded with a 53:47 split with the remaining €1.8m to be met from the partnership. The partnership was made up of the FAI, Cork City FC and Cork County Council (CCC). The land was to be provided by CCC (a 99 year lease to the FAI) and the match funding would be met largely by the FAI with a contribution from Cork City FC.

Phase 1 was to deliver 4 x pitches (floodlights x 2) and access routes. Further phases would bring the total spend on the Brooklodge site to €17m (in 2018 prices) so conservatively north of €20m in current day prices.

WHAT CHANGED?

In 2019 the financial challenges facing the FAI were laid bare. As a result, the association did not have the disposable income to sponsor the project through the initial phases. In the intervening years Cork City FC have indicated that Glanmire no longer presents the optimal solution for the club.

While the FAI is committed to facility development in Munster, in developing our [Facilities Vision and Investment Strategy](#) in May 2023 we arrived at the conclusion that the site in Glanmire no longer presents the most strategic investment to deliver a high-performance centre for Munster.

Instead, we are keen to collaborate with an educational facility in the area to cluster sporting facilities realising synergies and enabling players to benefit from a multi-use high performance environment.

WHAT NEXT?

We established a working group shortly after the decision. This group has met 6 times over the last 8 months and has two objectives:

- 1) To work with Cork County Council to ensure that the Brooklodge site can benefit the local community (with football remaining as primary tenant)
- 2) To secure Department support for a revised proposal that would protect the original award and ensure that Munster Football benefits from the investment promised.

We are making progress on both fronts – for example we have had positive conversations with local stakeholders and are hopeful that we have identified a viable long-term tenant that will develop the

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site as intended albeit to a more modest scale. This will however benefit the rapidly expanding football community in Glanmire but also other local community groups.

CONCLUSION:

The decision not to proceed with the original plan/award was not taken lightly. Irish football is not in a position where it can leave much needed investment on the table however it is incumbent on us to be strategic in the context of our wider facilities vision and to ensure a sustainable proposal is realised.

We remain committed to ensuring a Munster benefits from the original award.

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SPORT IRELAND COVID-19 RELIEF FUNDING

“The Department and Sport Ireland’s oversight and governance of grant funding from Sport Ireland to the FAI, including funding allocated through the Sport Ireland COVID-19 Relief Fund”

Purpose:

The purpose of this paper is to provide an overview of the levels of financial support provided by Government, through Sport Ireland, to the FAI throughout the pandemic period representing the years 2020-2022.

It seeks to provide clarity on what levels of financial support were requested by the FAI, how these were determined, what was awarded and how the FAI co-funded several spends at Grassroots and Club level to sustain the development of Ireland’s largest participant sport during an unprecedented public health crisis.

Furthermore, this paper seeks to provide an overview of the summary findings and conclusions observed by auditors, KOSI, as commissioned on behalf of Sport Ireland during each of 2020 and 2021.

Background:

Like other sporting organisations and National Governing Bodies, the FAI was adversely disrupted following the onset of Covid 19 and the immediate implementation of restrictions in line with Government guidelines as recommended by the National Public Health Emergency Team (NPHET).

As such, and like other sporting organisations, the FAI relied heavily on Government financial support during the pandemic where participation and spectating of sports was cancelled, suspended or severely limited. The FAI would like to acknowledge and thank Sport Ireland and Government for the roles they played in supporting the game of football in Ireland during the public health crisis and in the periods following the cessations of restrictions.

Sport Ireland defined clear parameters which determined the eligibility criteria for what could be supported through the Covid 19 Grant schemes. Funding was designed to provide subsistence in order to meet the impacts of both lost revenues and the emergence of new lines of expenditures during the crisis. Capital expenditures were explicitly ineligible under the conditions of the scheme.

Financial support provided to football through the Covid grants schemes was in addition to the levels of financial support offered as part of the Memorandum of Understanding, dated January 2020. Those interventions were designed to support and maintain the going concern status of the Association.

Overview of Financial Support Requested and Received

As illustrated in the below table, a total of €33.7m was provided as part of the COVID relief scheme to the FAI during the period of 2020 to 2022 representing 61% of the total requested funds of €55m over the same period:

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2020			
	FAI Support	Clubs (LOI+GRF)	Total
Sought	€14,326,977	€4,951,994	€19,278,971
Received	€11,000,000	€2,200,000	€13,200,000
Variance	-€3,326,977	-€2,751,994	-€6,078,971
%	-23%	-56%	-32%

2021				
	FAI Support	LOI & WNL	Grassroots	Total
Sought	€14,115,000	€5,327,000	€13,735,000	€33,177,000
Received	€12,000,000	€5,000,000	€2,000,000	€19,000,000
Variance	-€2,115,000	-€327,000	-€11,735,000	-€14,177,000
%	-15%	-6%	-85%	-43%

2022	
	NGB Programmes
Sought	€2,500,000
Received	€1,500,000
Variance	€1,000,000
%	-40%

Funding pot restricted to NGB onl

Of the €33.7m grant funding received €32.2m has been audited in full and received positive findings.

2020 [i.e. allocated from Sport Ireland in November 2020]

- The first version of the Covid Funding Scheme sought applications from clubs, leagues the FAI seeking support in September 2020.
- Applications for all parties were drafted in Q2/Q3 of 2020 and relied on estimated figures due to the evolving and uncertain nature of the pandemic's impact during that period.
- The FAI submitted an application seeking €19.3m under two pillars of the scheme – FAI support (€14.3m) and Club and League Support Scheme which covered both League of Ireland (LoI) and Grassroots (€4.9m).
- Sport Ireland initially allocated total grant funding of €13m (of €19.3m applied for) under the scheme broken into €11m for FAI support and €2m to support the Club and League Support Scheme.
- Following initial distributions of the scheme, Sport Ireland allocated a further €0.2m to the FAI in December 2020 to support clubs and leagues.

FAI Central Costs

The centralised costs for the Football Association of Ireland (FAI) were assessed at €14 million, employing the methodology outlined by Sport Ireland's criteria set forth in the 2020 Covid Grant Scheme. The substantial influence of the pandemic on the FAI's anticipated revenue in 2020 was noteworthy, affecting various key revenue streams available to the organisation. This included income from matches, season ticket sales, sponsorship, broadcasting revenue, and stakeholder support funds, among others. A comprehensive breakdown of the financial repercussions resulting from the pandemic is detailed in the accompanying audit report.

Clubs and Grassroots

It should be noted that the FAI opened an application process for all clubs and leagues Grassroots League of Ireland and Women's National League Club's in need of financial support due to the impact of Covid on both revenues and costs.

The process was two-fold insofar as clubs/leagues in need of funding support were required to outline their level of need in the first phase with the secondary phases requiring applicants to substantiate their phase one request via supporting documents, proof etc. The reason for the two-phase approach was to align with the timeline that Sport Ireland had included within the scheme.

All applicants were required to adhere to the terms and conditions stipulated by Sport Ireland for this scheme. Notably, grassroots clubs and leagues received equitable treatment in comparison to LoI and WNL clubs.

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In determining funding provisions for 2020, Sport Ireland stipulated in the letter of award dated 3rd November 2020, that €2m of the €13m allocated to FAI would be ring fenced to support the requests of clubs.

Via the 2020 Club Support Scheme a total of 418 clubs and leagues received support (397 Grassroots and 21 Lol/WNL).

2020 assurances and audit findings

Independent auditors KOSI were commissioned by Sport Ireland to conduct a comprehensive review of the scheme and associated funds administered therein as part of the 2020 scheme. They evaluated based on five tiers of assurance:

1. Excellent Assurance
2. Substantial Assurance
3. Adequate Assurance
4. Limited Assurance
5. Poor Assurance

The 2020 KOSI audit (as appended) concluded that a '**substantial assurance**' the second highest rating that could be placed on the adequacy and effectiveness of the internal financial controls in place.

‘€11 million was awarded to the FAI to address the loss of income and incremental expenditure incurred by the Association as a result of the Coronavirus pandemic. Cashflows in relation to the disbursement of the funds totalling €11.037m were provided to and approved by SI.’

‘Audit are satisfied that all €11m had been expended in line with cashflow projections provided to SI.’

The two findings from the audit were:

1. The inclusion of Derry City, located outside the Republic of Ireland, within the Club and League Scheme due to their affiliation with the League of Ireland club base. This was noted as an issue due to the lack of written approval from Sport Ireland, which had been verbally communicated. Note: Sport Ireland recognised this and confirmed in writing for the 2021 grants that Derry City could be factored in to the application process.
2. The length of time involved in allocating funds to grassroots clubs and leagues was flagged as an item of note as outlined in the report. However, this issue was not unique to football or any sport or even industry at the time e.g. airlines. All were adapting to a unique and new scale of application that took time to bed in. This was resolved in quickly and was not flagged in subsequent audits.

2021 [i.e. allocated from Sport Ireland in December 2021]

As the pandemic developed further into 2021 the FAI applied for €33m across three categories within the new scheme

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- FAI support (€14.1m)
- Lol & WNL support (€5.3m)
- Grassroots Club & League Support (€13.7m)
- The application was substantiated with an evidence-based approach (developed in conjunction with Grant Thornton) and was presented to Sport Ireland, outlining the rationale behind the requested figures.
- Sport Ireland, in response, allocated €19 million of the requested €33 million (57.5%), distributed as follows:
 - FAI support (€12 million)
 - Lol/WNL (€5 million)
 - Grassroots (€2 million)

Central FAI costs

In 2021, the FAI, like numerous other organisations, experienced further financial impact due to the global pandemic. To address the persistent challenges posed by the pandemic in the sporting sector, Sport Ireland extended additional financial support through the 2021 Covid Grant Scheme. Notably, the 2021 iteration of the scheme differed from the previous year, as the Association had grappled with the pandemic's effects for over twelve months, providing a clearer perspective on the disruption caused to the FAI's finances throughout the remainder of 2020 and into 2021. Anticipating the scheme's announcement, the FAI proactively prepared the requisite financial data for application, substantiating these figures with evidence-based information collected from each facet of the game – League of Ireland (inc. WLOI), Grassroots and the FAI business.

Grassroots

Ahead of the 2021 Covid Scheme announcement by Sport Ireland, the FAI via their Grassroots Department surveyed all grassroots clubs and leagues via a Covid-19 Impact Survey through an online questionnaire. The survey asked the clubs and leagues to quantify lost income (membership fees, sponsorship and facility hire), additional COVID-19 costs and any cost savings. Based on the response rate of the survey (38% of clubs & 71% of leagues) the FAI could extrapolate the figures out to include all clubs and leagues and in deducting figures not relevant to all clubs/ineligible for the scheme, the FAI could provide Sport Ireland with an evidence-based request of need as part of the scheme application.

Via the 2021 Covid Support Scheme a total of 201 Grassroots clubs and leagues were supported.

Men's & Women's League of Ireland

The FAI completed an analysis of the financial impact of COVID-19 on LOI clubs. It was determined that the financial impact was driven by lost revenues across match tickets, sponsorships and other commercial income.

The total lost revenues for the League of Ireland clubs were calculated at €9.07m (that figure did not take into account revenue lost by bigger clubs in gate receipts from European games and broader commercial revenues). At the time of application, the FAI had already underwritten €4m of costs to the Clubs to allow clubs to submit the financial elements of the licensing process and allow the Leagues

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to start. The FAI also supported clubs via other avenues such as affiliation fees, fee waivers, funding additional costs (LOITV etc) and increasing prize funds.

Sport Ireland allocated €5 million to the FAI in support of the League of Ireland, with €1 million of this sum to be used in assisting LOI clubs with supplementary COVID-19-related expenses. These funds were used to support clubs with Covid related increased costs which included additional transportation, bus services, accommodation requirements for away games, heightened medical expenses (such as COVID testing), and other necessary COVID-related equipment.

Clubs were mandated to provide substantiating documentation for all claims before funds were allocated. The verification and approval of this process carried out by the FAI was included in the follow up audit conducted through KOSI and is documented in the final report.

2021 assurance and audit findings

Similar to 2020, independent auditors KOSI were commissioned by Sport Ireland to conduct a review of the scheme for 2021.

The KOSI audit concluded that an **'Excellent Assurance'** could be placed on the adequacy and effectiveness of the internal controls in place in regard to all Covid funding received. This is the highest possible audit finding.

'Audit were satisfied that the funding received by FAI (€12 million) was used to offset the operating challenges faced as a result of Covid-19. The actual turnover (less covid funding recognised) of €40.2 million was €0.3 million greater than the forecast income used to calculate the Covid impact as part of the application and €16 million less than the anticipated income in a covid free environment.'

The impact on the FAI income in 2021 was measurable and there is evidence that this funding was needed in order to fund operational demands in 2022.'

Further to the grant awards, and in light of the unmet needs of the Grassroots game, a further €1.5m of FAI funding was allocated to support demand from clubs. This funding was sourced from the FAI's own funds and did not form part of the KOSI audit as this was not funded by Sport Ireland.

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2022 [i.e. allocated from Sport Ireland in December 2022]

- In 2022, Sport Ireland allocated funding to bolster the sporting sector in response to the Covid-19 Pandemic and the subsequent cessation of Covid restrictions.
- The 2022 Covid 19 Grant Support Scheme saw Sport Ireland seek applications for support from the sports sector under three targeted areas;
 - Support with 2022 financial losses associated with Covid 19
 - Support for additional operational costs arising as a result of Covid 19
 - The provision of a fund that supports the continued return to sport post pandemic.
- The FAI submitted an application seeking funding support under the 'Return to Sport' component only.
- The 'Return to Sport' component aimed to support National Governing Bodies (NGBs) in facilitating projects and initiatives outlined within submitted applications.
- Notably, there was no specific provision for club or league support due to minimal Covid-19 impact in that area during 2022.
- The FAI applied for €2.5 million and received €1 million under this scheme. Funding was sought by the FAI to support several initiatives and programmes to support a return to sport including referee recruitment campaign, increasing volunteerism, coach development courses and materials and digital improvements.
- An additional €500,000 was granted (not applied for) to the FAI through the Sport Ireland Recovery Grant, intended as a one-time support measure for Sporting Organisations.

As of December 2023, there has been no audit conducted on this funding allocation, yet we remain willing to facilitate as required.

Conclusion

As outlined, the FAI complied with all that was requested of it as part of the independent audits of the above schemes. Funds have been accounted for and audit opinions have been consistently positive over the course of the two years. The detailed reports are appended herewith, and these itemise the information referenced in this report.

Although the levels of financial support provided were lower than the funds requested, the FAI did all within its power to support the game at every level through both the provision of own funds to both Grassroots and club levels. Furthermore, it obtained an interest free loan from FIFA in response to the Covid crisis and availed of all grant funding options available through UEFA and FIFA funding channels.

The FAI would like to acknowledge and thank the role that Sport Ireland and Government played in the provision of financial support to sustain the operational development of football during the Covid 19 public health crisis.

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REPAYABLE GRANT

"The interest free concessionary loan of €2.5m per annum for three years from the Irish Government to the FAI, including the conditions attached to same and the schedule for repayment."

OVERVIEW:

As part of the MOU arrangement entered into in 2020 Sport Ireland provided the association with much welcomed additional funding totaling €19.2m (€11.6m enhanced funding and €7.63 in the form of a repayable grant):

		Original	Revised	Variance	Total Variance
Enhanced Core Grant Funding	2020	€2.90	€5.80	€2.90	€11.60
	2021	€2.90	€5.80	€2.90	
	2022	€2.90	€5.80	€2.90	
	2023	€2.90	€5.80	€2.90	
Repayable Grant (Aviva License Fee)	2020	-	€2.54	€2.54	€7.63
	2021	-	€2.54	€2.54	
	2022	-	€2.54	€2.54	
					€19.23

The repayable grant was positioned as follows:

"In recognition of the importance of the continued operation of the Aviva Stadium, the Government will provide a repayable grant to the FAI in the sum of €7.6338million, (paid in three instalments of €2.5446 million, directly to New Stadium DAC (trading as Aviva Stadium) on behalf of the FAI in each of the years 2020, 2021 and 2022,) towards the licence fee payable to New Stadium DAC. This grant will be repayable from 2024 on a schedule to be agreed between the parties and set out in a subsequent agreement"

Our balance sheet reflects this liability and we are in conversations with Government about how to approach repayments.

Report to Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media on FAI's progress on the implementation of MOU reforms

Background and Context

In January 2020 the Government of Ireland and the Football Association of Ireland (FAI) agreed a Memorandum of Understanding (MOU) in respect of a funding package to the FAI for the period 2020-2023. The MOU set out the terms upon which direct funding support of over €30.8m is provided and encompassed requirements for the FAI to meet and implement 163 recommendations and conditions.

Sport Ireland was tasked by Government to monitor the progress of governance and financial reform of the FAI through formal liaison and oversight processes. A Governance Oversight Group was established in May 2020, pursuant to the MOU to oversee FAI progress on implementation of governance reforms over the lifetime of this agreement for the period 2020-2023.

As part of its work the Group considered the FAI's implementation of specific recommendations and related actions within the Governance Review Group Report¹ and Sport Ireland's 2019 independent audit of FAI by KOSI Corporation Ltd (KOSI audit). The Group also considered the FAI's general adherence to good governance principles, norms and standards.

The Group comprised nine members, four of which were members nominated by Sport Ireland and three members nominated by the FAI. Two additional external members were jointly nominated by Sport Ireland and the FAI.

The Governance Oversight Group met 15 times during the period of the MOU. The Governance Oversight Group's work was supported by a Financial Management Liaison Group which reviewed updates from the FAI on ongoing work areas and progress in the area of finances, internal control and risk management – the Finance Group met 18 times since 2020. These formal Groups were supported by additional regular liaison meetings at executive level).

Sport Ireland submitted progress reports on implementation of reforms to the Minister via the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media on a quarterly basis.

Assurance Process

In practice, the Governance Oversight Group relied on a two stage Assurance Process

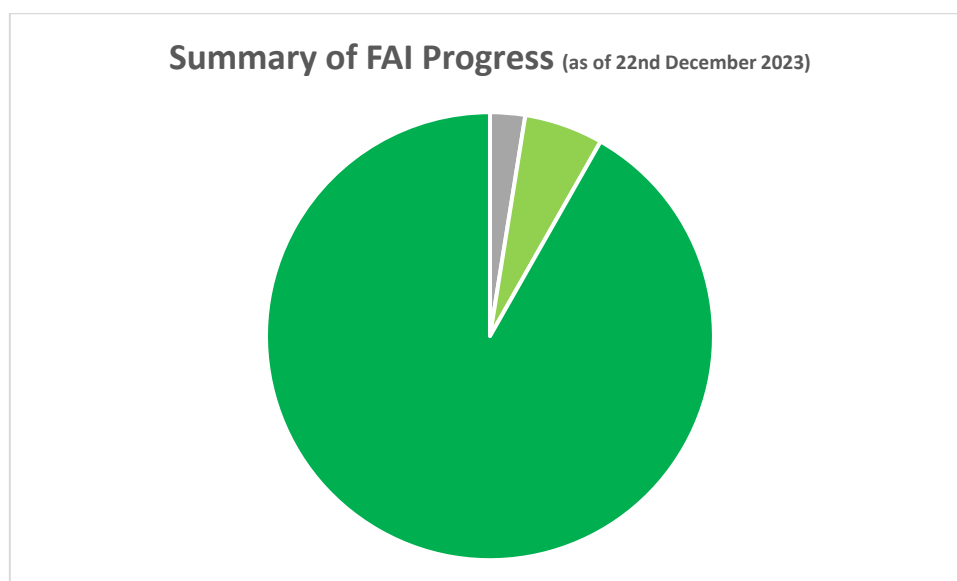
- **Phase 1: Set-up.** Developing the organisation infrastructure and internal control systems. This entailed implementing specific recommendations and actions from the Governance Review Group Report and 2019 KOSI audit and MOU and establishing the new financial, internal control and risk management systems. It involved establishing (or re-defining) new policies, procedures and structures designed to address control weaknesses, compliance gaps and to prevent and detect errors.
- **Phase 2: Complete/ Embedding.** Evidence that the recommendations and new policies were being implemented as part of normal management, and were not viewed as something extra that needed to be done to “comply” with MOU requirements. It included assurance being provided to Sport Ireland that financial, internal control and risk management systems were being embedded into FAI's operations and business processes (where practicable) and were

¹ Governance Review Group Report for the FAI Board and Sport Ireland, 21st June 2019

an integral part of how the organisation is managed - rather than a detached “add on” activity.

Update on Overall Position (as of 22nd December 2023)

Source/Report	Item outside agreed timeline	Phase 1 Complete (Partially Complete/Set-up)	Phase 1 Complete* (*“Subject to” final actions being delivered by FAI by end Jan 2024, the Governance Oversight Group has agreed that this item can be marked as "Complete")	Complete	Total
Governance Review Group	2	2	1	73	78
KOSI 2019	0	3	0	43	46
MOU	2	3	0	34	39
Total	4	8	1	150	163



See full list of each recommendations/conditions in the attached Appendix.

Note: The FAI are making progress on 4 specific items, however not within the original agreed timelines. These items can still be delivered by the FAI, but within a longer timeline, and include the following:

- 33.3% gender balance on Board was not achieved by June 2020. As of 22nd December 2023, the FAI Board had 8 male (66.6%) and 4 female (33.3%) members, albeit that on 9th December 2023 the FAI's General Assembly approved an extension of the Board to 14 members which enables the FAI to meet the gender-balance requirements in early 2024.

- 33.3% gender balance was not achieved on General Assembly or Committees by June 2022. The FAI remain committed to the target, however within a longer timeline.
- Full implementation of the 2019 Governance Review Group recommendations was not achieved by the end of 2020. The FAI are committed to implementation of the small number of remaining recommendations.
- Full implementation of all KOSI audit recommendations was not achieved by 31 December 2020. The FAI are committed to implementation of the small number of remaining recommendations.

Assessment

Significant progress was made by the FAI in recent years, with 159 out of 163 items (98%) being marked as either Complete or Phase 1 Complete.

Some of the most significant and tangible reforms delivered by the FAI include the following:

- Organisational Restructure: underpinned by extensive engagement with staff to ensure appropriate resources and skillsets were in place throughout the organisation. In addition, there were appointments for new roles in the Senior Leadership Team including a new Chief Executive (following an open and robust recruitment process), Chief Operating Officer, Director of Football, Commercial Director, Director of Marketing & Communications and a new People & Culture Director.
- Constitutional Reform, with the support of FIFA and UEFA, delivered substantial and sustainable changes within the organisation. The new Constitution confirmed that the CEO will no longer be a member of the Board. A new democratic General Assembly was established (with representation balanced across all facets of the game) to replace both the AGM and National Council to become the unambiguous supreme governance and legislative body of the Association.
- The change in composition of the Board of Directors to include six independent Directors from a 12-person Board (recently confirmed as 7 from 14 in an increased board composition).
- The adoption of an Electoral Code for the conduct of elections at General Meetings, and Integrity Assessment ensuring that all candidates for membership of the Board or a Committee meet the requirements of the Integrity Assessment (no criminal convictions, garda vetting, not guilty and/or sentenced by the FIFA Ethics Committee or any other sporting body, not disqualified or restricted from holding the office of Director of a company in Ireland or any other jurisdiction). Each candidate for the FAI must satisfy the requirements of an Electoral Code (and must be endorsed by an Electoral Committee).
- The establishment of skills requirements for Board Directors.
- The establishment of a new Audit, Risk, Compliance & Finance Committee and the appointment of internal auditors and new external auditors.
- The development of an overall FAI assurance framework to support the Board in fulfilling its governance obligations. It sets out the FAI standards of conduct, values and governance systems and draws together what the FAI should do and must do in conducting its business.
- Additional outsourcing support acquired by the FAI in the area of Risk Management and preparation of a Financial Transformation Plan.
- The development of a new FAI Governance Handbook and Code of Conduct for the Board.
- The introduction of a number of new internal policies including, but not limited to, Risk Management Policy, Travel & Expense Policy, Ticketing Policy and Protected Disclosures Policy.
- The introduction of a Financial Procedures Manual and the establishment of a new procurement unit.

- The development of a new FAI Strategy (2022-2025) following a very comprehensive consultation process, along with robust business planning processes linked to Strategy implementation.
- The launch of new values for the Association and culture working groups established for staff.

In 2022 KOSI (on behalf of Sport Ireland) assessed the FAI's implementation of a wide range individual items. KOSI reported on the results of the audit in two parts, Part A (June 2022) and Part B (September 2022). In June 2022 KOSI reported that the enhancement of the control environment in the FAI was visible through the workings of the Board and the Audit, Risk, Compliance & Finance Committee (ARCFC) and through their awareness of risk. FAI progress was visible across a number of areas including in relation to financial management and resolving non-value adding legacy contracts and arrangements. KOSI noted that the FAI Finance Director prepared a monthly Finance Pack for the FAI Board, finance was a standing item at Board meetings and from a review of minutes there was evidence of open communication on FAI finances. KOSI reported that in addition to the ARCFC an Executive Performance and Remuneration Committee had been established and there was evidence that these committees were operating effectively. It was stated that this progress in financial governance was further supported by the introduction of an Internal Audit Unit. Notwithstanding the enhanced role of finance in FAI governance, KOSI stated that gaps in the capacity of the finance function existed at an operational level and resources remain stretched. KOSI made some recommendations around additional temporary resourcing in that regard.

In September 2022, KOSI reported that the FAI Board and supporting committees were providing direction and structured governance and oversight of the business of the FAI. There was an enhancement of the governance environment which was visible through the workings of the Board and its supporting committees. KOSI stated that progress had been made in improving and embedding governance arrangements in a way that the FAI could sustain as business as usual and be integral to the way the FAI is managed. Areas where such progress was visible included in relation to the structure of meetings, clarity in reserved matters, separation of roles between the board and executive, enabling a culture of holding to account and where there was openness to different and conflicting views and argument. KOSI highlighted some areas where further work was required, and these were considered in the intervening period.

Sport Ireland is cognisant that there were some resourcing challenges in some areas (Company Secretary and Finance Director) of the FAI in the first half of 2023 and this impacted on the progression of a number of recommendations during that period. However, a new Director of Finance was appointed by the FAI in mid-2023. The FAI have recently committed to further strengthening its Finance unit, via a combination of recruitment of specialised roles and re-structuring. FAI have commenced a full restructure of their Finance team which includes two additional roles to strengthen the Finance function and develop internal financial controls to the necessary standard. FAI recruited a senior accountant in October 2023 reporting to the Finance Director to provide additional capacity immediately to support the development of internal finance systems and processes. Outsourcing of certain functions is being explored also.

Further work is ongoing by the FAI on all remaining items. As the MOU runs until the end of 2023, Sport Ireland continues to work with the FAI on those areas where work is still ongoing and on reforms that FAI still needs to achieve full completion. There is a risk that the year-end targets set for a small number of the outstanding recommendations may prove to be unachievable.

Conclusion

In a scenario where the FAI continue to work on the small number of the remaining recommendations/conditions (and in the context of any decisions in relation to amending or extending the MOU), **consideration could be given to requesting the FAI to agree revised achievable timeframes for implementation of these items.**

Since 2020 the FAI have been on a pathway toward best practice corporate governance in line with the requirements of the MOU. A robust monitoring and oversight system was in operation via Sport Ireland and the Governance Oversight Group during this period. Whilst the FAI's journey of reform and change was not without its challenges and setbacks, the FAI demonstrated that significant and solid progress was made on its transition to a better governance structure and improved practices. This transition will require ongoing work, resourcing and nurturing to ensure that good governance is at the heart of how the FAI operates and does its business into 2024 and beyond.

For the benefit of football in Ireland, everyone can agree that it is important for the FAI to implement and sustain best governance practices which enable it to lead and support vital grassroots work and the development of the game at all levels. Sport Ireland is committed to working with, and supporting, the FAI in the continuation of their journey of reform.

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SFAI FUNDING

"Oversight and governance of funding for the Schoolboys/girls Football Association of Ireland (SFAI)"

RELATIONSHIP:

The Schoolboys/girls Football Association of Ireland (SFAI) is an Affiliated Member of the Football Association of Ireland (FAI), operating as a National Body to oversee the Governance and Organisation of Football for children up to the age of 16 years. As part of its role, the SFAI affiliates and governs Underage Leagues across the country.

The SFAI operates under the FAI Handbook and associated rules and regulations. It also has its own Rule Book under which its affiliated leagues operate. This can be found here - <https://sfai.ie/about-sfai/rules/>

FUNDING

In 2023, the FAI formalised the grant funding process through the approval of the Grant & Funding Policy by the FAI Board in June 2023 (see attached). The primary aim of this policy is to establish clear guidelines for the allocation of grants and funding, ensuring fair and transparent distribution while maintaining appropriate oversight across all allocations. As per the eligibility criteria outlined in the policy, the SFAI, being an affiliated member of the Football Association of Ireland, is entitled to apply for annual funding support.

The FAI offers an avenue for the SFAI to seek financial assistance to support the organisation and operations of the schoolboys Kennedy Cup and schoolgirls Gaynor Cup tournaments. As per the policy conditions, to receive funding support the SFAI is required to formally request funding support (via application) from the FAI. Applications and supporting documents submitted by applicants are subject to an internal review process, during which adherence to the FAI's funding criteria is imperative. In accordance with the FAI's Grant Policy, applicants must provide a comprehensive report detailing the utilisation of previous funding allocations before seeking renewed financial support for the current year. This process, known as the 'post-award compliance' process provides the FAI oversight on how association funds are being utilised by the SFAI ensuring that applicants adhere to approved funding purposes.

The designated funding allocations for the years 2023 and 2022 were set at €160,000 annually. This allocation is predetermined through the annual FAI budgeting procedure, which prevents any adjustments once final budgets are approved. The funding disbursed in both 2022 and 2023 underwent a thorough evaluation, approval, and disbursement process, adhering to the FAI's established protocols for grant and funding allocations. No discrepancies were identified during these reviews for either year.

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OVERSIGHT

As such, the SFAI functions within the parameters of the FAI's Handbook, however there is a level of autonomy in how it conducts its business, operates its competitions and governs its affiliated leagues.

As part of the FAI's Football Pathways Plan, we will be introducing a League Mark – essentially a good governance framework – to strengthen governance and football delivery across all our affiliated leagues, and to assist the SFAI and other relevant affiliates in the positive work they do to organise matches and tournaments for the thousands of players who play our game every week.

Football Association of Ireland

Internal Grant/Funding Policy

2022/23

FINAL DOCUMENT

Document Title	Internal Grant & Funding Administration Policy
Version No.	4
Document Owner	Finance Department / Grants & Funding Manager
Date of Next Review	December 2023

Approval Framework

Description	Relevant Approver	Date
Draft review	Audit, Risk, Compliance and Finance Committee	20 th June 2023
Final Review	FAI Board	27 th June 2023

Scope:

Purpose:

The purpose of this policy is to formalise the guidelines for the distribution of grants and funding to affiliated organisations by the Football Association of Ireland. This policy is designed to ensure that funding is distributed in a fair and transparent manner and to ensure appropriate oversight of the allocation .

With the implementation of this policy, all grant/programme funding administered by the FAI will be required to follow the processes and procedures outlined within this document.

Eligibility:

To be deemed eligible to receive any type of grant or funding, applicant organisations must be affiliated to the Football Association of Ireland. Organisations must also demonstrate a clear need for grants/funding and provide a detailed overview for how the funds will be used. This information should be provided via the application process.

Grant Definition: The FAI define a grant as *"a payment that is provided to an affiliated body/organisation for support, a good or a service that the FAI will not receive a return from"*.

Grants fall into four distinct categories:

- 1. Programme Funding / Grants (Recurring)**
- 2. Legacy Infrastructure Development Grants**
- 3. Ad hoc grants towards facilities awarded on an exceptional basis**
- 4. Grants administered by the FAI on behalf of third parties e.g. the Sport Energy Support Scheme**

Programme Funding Grants: the FAI provides and has provided grants to affiliate organisations historically to support operational costs with the strand of football provided by that affiliate and in some cases support for the costs associated with participation in international events.

These grants are allocated annually and are budgeted through the FAI budgeting process by the relevant department that engages/manages that element of football. A list of those affiliates in receipt of this type of grant/payment can be found below.

- | | |
|---------------------------------------|--|
| i. High Performance Department | Emerging Talent Programme |
| ii. Competitions Department | Michael Ward Cup |
| | Youth Interprovincial Tournament |
| iii. Grassroots Department | Football for All |
| | Provincial Associations |
| | Administration Grant Support |
| | Third Level / Colleges |
| | FAI Schools |
| | Schoolboys Football Association of Ireland |

Legacy Infrastructure Development Grants: These are grants allocated for Grassroots Club & League Infrastructure Projects throughout the country pre—2019 which generally involved staged payments over a period of years. Each legacy grant awardee was required to sign a Heads of Agreement document before payment of any grant funding. This document outlines the responsibilities of all parties involved as well as all conditions for funding that must be adhered to.

The FAI is clearing the remainder of these agreements via annual payments that will continue until each grant agreement is complete. A list of all remaining legacy grants are included in the Grant Register.

Ad hoc grants for Facilities Development The FAI does not currently have funding available to operate a programme of grants for infrastructure development.

However, in exceptional circumstances the FAI may award grant funding to strategically important infrastructure development projects under the FAI Strategy (2022-2025) pillar of 'Transforming football facilities and infrastructure' where the allocation of such grant is key to advancing a project and/or unlocking public funds and/or other funding sourced by the grant applicant.

Allocations of this nature must be approved by the FAI Board in the first instance and will be required to agreement of all funding conditions laid out in a Heads of Agreement, specifically addressing the lack of specific facilities and infrastructure for women's football. All conditions and requirements for grant funding of this nature will be outlined in the relevant Heads of Agreement to be agreed prior to any funding release.

Grants administered by the FAI on behalf of third parties e.g. the Sport Energy Support Scheme

From time to time FAI affiliates, leagues and clubs may be entitled to avail of exceptional grant support from Government or Sport Ireland. Recent examples include the Covid-19 Support Scheme operated in 2021-22 and Sport Energy Support Scheme operated in 2023.

In such cases, FAI is required to operate the schemes in accordance with the eligibility criteria and terms and conditions established by the grantor. As such the arrangements for the administration of such schemes is outside the scope of this policy.

Policy:

Budget Proposals - Grant Requirements:

FAI departments that manage the distribution of grants to FAI Affiliates must budget for their grant needs via inclusion of a line item within their department budget outlining all grants funding requirements for the upcoming year. Departments must ensure that grant budgets align funding requirements to the FAI Strategic Plan 2022-2025. Departments must also look to, where possible, re-align grant allocations to affiliates within their scope that are under-funded or have an increased need for funds to deliver on their specific area of the game.

Changes to grant allocations must be approved by the relevant SLT member before being submitted to the Finance Department for approval. The Finance Department can and will look for further information to substantiate changes.

Grant Budget Approval:

A review and evaluation of all proposed grant needs will first be taken via the Finance Department and each Department proposing grants. Grants budget proposals will then be reviewed as part of the overall budget review process for further evaluation and affordability checks. Following this review, proposed Department budgets will be sent to the ARCFC for recommendation to the FAI Board and then to the Board for approval as per the standard budgetary approval process.

Once department budgets are approved and communicated via SLT members, FAI Departments can begin the communication process with affiliates outlining the responsibilities and requirements of the grant award process to their affiliates.

Roles and Responsibilities:

The roles and responsibilities of the parties involved in the grant application process are outlined in the below table;

Role	Responsibility
Grant Applicant (FAI Programme, FAI Affiliate, affiliated other etc.)	<ul style="list-style-type: none"> - Responsibility to submit grant application on time and in full as per funding conditions. - Responsibility to adhere and abide by all terms and conditions outlined in the accompanying documents for grant allocation. - Ensure that all post-award compliance is completed in full and in a timely manner as per the conditions outlined in the accompanying documents.

		<ul style="list-style-type: none"> - Ensure that all FAI grant funding is used for the purposes outlined in the application process and accept responsibility for same.
Grantor __ (Relevant Department, Programme etc.)	FAI FAI	<ul style="list-style-type: none"> - Each FAI Department/Programme administering grants must appoint a point of contact (team member) to engage with grant approval process and oversee the grant process in relation to their respective affiliates. - Responsible for the communication with affiliates in receipt of grants to ensure requirements and responsibilities are communicated in a timely manner. - Responsibility for ensuring that grant applicants are provided with grant application documents in a timely manner. - Responsibility for ensuring that grant application documents and all supporting documents are updated and relevant to align with FAI Strategy goals on an annual basis. - Responsible for ensuring that applications documents are reviewed year on year ensuring that application criteria remains relevant with the strategic goals of the Association. Criteria setting must be overseen via the relevant head of the department/SLT member overseeing the applicant in all cases. - Criteria used for grant distribution and evaluated within the 'Grant Scoring Matrix' must be approved by the relevant head of the department/SLT member before inclusion in any final documents. - Responsible for ensuring that grant funding requirements are included in annual programme/department budgets. - Responsibility to arrange payment of grant funding following receipt of final approval via the FAI internal payment process (PO system).
FAI Finance Department (Grants and Funding Manager, Finance Director)		<ul style="list-style-type: none"> - Responsibility for creation and implementation of grant and funding approval process. - Responsibility to ensure that all grant and funding applications follow aforementioned process correctly. - Responsibility for ensuring that grant and funding requirements align to budget allocations. - Responsible for the submission of grant requirement approval paperwork to the FAI Board for final approval.

	<ul style="list-style-type: none"> - Ensure that the Grants & Funding Register is updated and accurate throughout the year. - Ensure that the Grant & Funding Register is provided to the FAI Board twice per year at minimum.
Audit, Risk, Compliance and Finance Committee (ARCFC)	<ul style="list-style-type: none"> - Responsible for reviewing of budget proposals during the annual budgeting process. - Responsibility for recommending budget proposals to FAI Board for final approval. - Responsible for review of this policy before FAI Board approval is sought. Responsibility to review future versions of this policy as well as all major amendments to this policy prior to seeking FAI Board approval for same.
FAI Board	<ul style="list-style-type: none"> - Final approval of grant applications prior to payment.

Documentation:

Grant Application Forms:

All FAI Departments that administer programme grant / funding must have an approved grant application form and terms & conditions in place before any grant can be processed. Applications must include all required detail in relation to intended purposes for funding, budget detail and agreement to all conditions of grant funding.

Following the approval of FAI Department budgets, relevant FAI Staff can begin to circulate grant application forms to affiliates that will seek grant funding in the upcoming year. Applications forms must be completed and submitted by every affiliate seeking grant funding. Applications must be submitted to the relevant FAI Department in the specific timeframe noted in the grant terms and conditions.

Grant & Funding Register:

The Grants & Funding Register will centralise all grant and funding requirements into one single document. This document shall be updated continually to ensure that it reflects an accurate position of all grant requirements on a monthly basis. The Grant & Funding Register should include essential information on each grant to include – the budgeted amount, amount sought, purpose of the grant, dates of request and dates of approval.

The Grants & Funding Register should be provided to the FAI Board twice yearly for review and update.

Grant Funding Terms & Conditions:

In addition to grant application forms, each FAI Department must also develop specific terms & conditions (T&Cs) regarding grant funding for those affiliates seeking grant funding via their individual department/programme. T&Cs must include standard Association terms and conditions for funding as well as specific strategic oriented criteria/conditions determined by each Department that can be tracked, evaluated, scored, and reviewed year on year. Criteria and conditions must be reviewed and approved by the relevant head of department / SLT member, dependant on the department structure, in the first instance. This document will highlight all requirements and responsibilities of grant funding that must be adhered to by both the grant applicant and the FAI. Post-award compliance responsibilities and tasks will also be included within this document.

T&Cs must be administered to grant applicants at the same time as application forms. All requirements and funding conditions laid out in the T&Cs must be agreed to by grant applicants with agreement shown via signatures of at least two senior affiliate members holding the required positions within their organisations. FAI Departments overseeing grant applications must also provide proof of receipt and review in the form of signature. Programme Coordinators (or similar position

managing application for FAI) and their respective line manager (Regional Manager or higher to include SLT member) must provide signatures to all required documents before grant applications will be processed for funding.

Acceptable signatory positions of applicant; *Secretary, Treasurer, Chair, Committee Member, President, Manager. Two signees required on all documents.*

Acceptable signatory positions of FAI Staff; *Programme Coordinator, Department Manager, Regional Manager, Head of 'Relevant Department' Senior Leadership Team representative of 'Relevant Department', Finance Director, COO, CEO, President.*

Scoring Assessments:

Applications seeking grant funding will be reviewed and evaluated internally to ensure good governance throughout the application process. This review and evaluation will be done across two stages;

Stage One: Application reviewed and evaluated by relevant FAI Department via Programme Coordinator (or relevant position dependant on department structure) and their line manager or SLT member depending on department structure.

Evaluations will be carried via a grant application 'Scoring Matrix' which allows for each application to be evaluated against the strategic goals of the relevant FAI department or programme. The scoring process ensures that only substantial applications are proposed for funding and that when funding is allocated, the FAI can be sure that strategic alignment of spend is in place.

Applications must meet a certain level of scoring (dependant on department and application specifics) to ensure progress to payment approval. Applications that do not meet the required score will;

- (i) Be returned to the grant applicant to seek further information on intended purposes for grant funding.
- (ii) Applicants can then resubmit updated applications for review and evaluation.
- (iii) Applications that are updated and meet the required score will be progressed to the next stage. Applications that fail to meet the required score for progression will be again returned to the applicant seeking further information and / or a change in the intended purposes for grant funding highlighted within the application.
- (iv) Applications can then be resubmitted for review and evaluation. Applications that are scored successfully will progress to the next stage. Applications that do not meet the required score for progression after a second resubmission will not receive their annual grant allocation in that year.
- (v) They will be entitled to apply in the following calendar year however they will be subject to the same process and requirements.

Stage Two: The second stage of the evaluation requires the relevant FAI Department to meet with the Grants & Funding Manager (Finance Department) for a further review of the application and scoring matrix to ensure progress to the next stage of

the approval process and to also ensure that all relevant information, signatures and supporting documents have been provided.

Following the 'Stage Two' review with the Grants and Funding Manager, the application – if successful, will be progressed to the next stage of the approval process.

An example of a 'Scoring Matrix' can be found in the appendices below.

Grant Application Windows:

FAI Departments/Programmes must set a deadline by which affiliates must submit their grant applications for the upcoming year. This deadline will be included in the terms and conditions document accompanying the grant application. Timelines must be clearly stated within this document and affiliates seeking grant funding must adhere to all deadlines outlined.

The FAI understands that at times and due to circumstances outside of everyone's control, application windows can be missed. FAI Departments must be made aware of potential late applications and the reasons around it before the original window closes.

The FAI Department will manage these situations if and when they arise but must seek approval from the relevant SLT member in the first instance as well as the Finance Department (Grants and Funding Manager).

Grant allocations cannot be carried over to the following year. Grant allocations must be applied for and drawn down in the appropriate year.

Post-Award Compliance Monitoring / Reporting Requirements:

Post-award compliance monitoring responsibilities must be implemented for all successful grant applications. Grantees are required to agree to adhere to all compliance responsibilities prior to submitting final application forms to the FAI. Responsibilities include providing an end of year report outlining that funding was used for the purposes outlined in application forms, providing documentation (receipts, invoices) to prove full spend of grant funding.

Depending on the level of grant funding provided by the FAI further monitoring will be required, including but not limited to, submitting (audited) accounts, site visits, project/programme pictures and where applicable, meeting with FAI staff. The FAI reserves the right to request additional information and to conduct site visits as necessary.

All post award compliance responsibilities must be met by grantees without exception. Failure to meet these responsibilities can lead to the FAI withholding future funding, prohibiting future grant applications and where necessary, the repayment of grant funding to the FAI.

Grantees will be made aware of their post award compliance responsibilities at the time of application.



Appendices:

Grant Approval Process:

The following process for the approval of all grant and funding requirements was approved by the FAI Board in January 2022.

Internal Grant & Funding Approval Process:

- Step 1:** Completed grant funding applications, including signed terms & conditions documents must be submitted to the relevant FAI Department within the timeframe outlined via the terms and conditions document. Grant application forms and completed terms and conditions must be signed by senior members of each applicant organisation that hold the required position(s) within their organisation giving authority to enter into financial agreements. All documents need to be submitted prior to the expiration of any deadlines without exception.
- Step 2:** Once grant application documents have been submitted to the relevant FAI Department, the initial review and evaluation process will begin. Depending on the structure of the FAI department, the department coordinator responsible for the applicant seeking funding will evaluate and score each application, via the scoring matrix document, regarding how application aligns to the relevant department's strategic plan. Employees managing the applications of funded affiliates must undertake this process with their line manager or relevant SLT member. If further information is needed or the relevant FAI department is not satisfied with the detail provided in the application, the application will not progress any further until all issues are solved.
- Step 3:** Following a successful initial review of applications from the relevant FAI department, a meeting will be arranged with the Finance Department via the Grants and Funding Manager. This meeting ensures that each application aligns with the budget expectations for the department, and due diligence of each application is completed with further reviews of the application details, scoring evaluations, and supporting document provisions to ensure consistency. If successful, applicants are required to meet all post-award compliance responsibilities when receiving funds from the Association. This process requires each funded affiliate to provide the FAI with detail via supporting documentation and financial information following the receipt of grant funding. Sample testing of the documents submitted from the previous year as part of this compliance process will be conducted via this meeting to ensure that funding was used for the purposes intended. Applications will not progress further if this review uncovers any issues or errors.

Step 4: Applications that have satisfactorily progressed through the review and evaluation process and have met all requirements outlined above will be progressed for payment approval via the Finance Director. The Finance Director will receive an update on each application along with all supporting documents related to the application from the Grants and Funding Manager. Further financial reviews and checks are undertaken at this stage to ensure budget allocations are accurate and error free. If any errors or issues are uncovered at this stage, the application will revert to the previous stage to rectify before progressing any further.

Step 5: Once the Finance Director is happy for the application to progress further, a Board note is drafted by the Grants & Funding Manager seeking an approval decision by the FAI Board. This is a step recommended by Sport Ireland following a Financial Management Liaison Group meeting between Sport Ireland and the FAI in December 2021. In accordance with our Conflicts of Interests policy any Director who is connected to any applicant which has applied for a grant or other funding should declare their interest and absent themselves from the process of deciding on the approval of such grants or funding applications.

Step 6: Should the Board approve payment, the internal payment process within the Association begins. The relevant FAI Department will raise a Purchase Order (PO) for the grant payment and issue the affiliate with this PO number for inclusion on a grant invoice. The detailed grant invoice will then be submitted to the Finance Department to go through the standard payment approval process. Dependent on the value of the grant, value thresholds will be adhered to which involve *additional levels of approval* to comply with current structures embedded within the Finance Department/ wider Association for large payments (*above €50,000*).

Step 7: Following the payment of grant funding to successful applicants, the previously mentioned post-award compliance monitoring process will begin. This process requires successful applicants to provide the FAI with a full breakdown of how FAI funds were spent aligning with the intended purposes outlined in the successful application. Receipts, invoices, and all other documentation related to the spending of FAI grant funding is required to be submitted. The post-award compliance process will have been signed and agreed to by each applicant during the application process and all consequences of non-compliance were agreed. Post-award compliance breakdown reports must be submitted in the timeframe outlined by the relevant FAI Department. Applicants that do not provide this information within the designated timeframe may be prevented from applying for grant funding in the following year. In addition, non-compliance with the use of funds may result in a request for the funding to be returned.

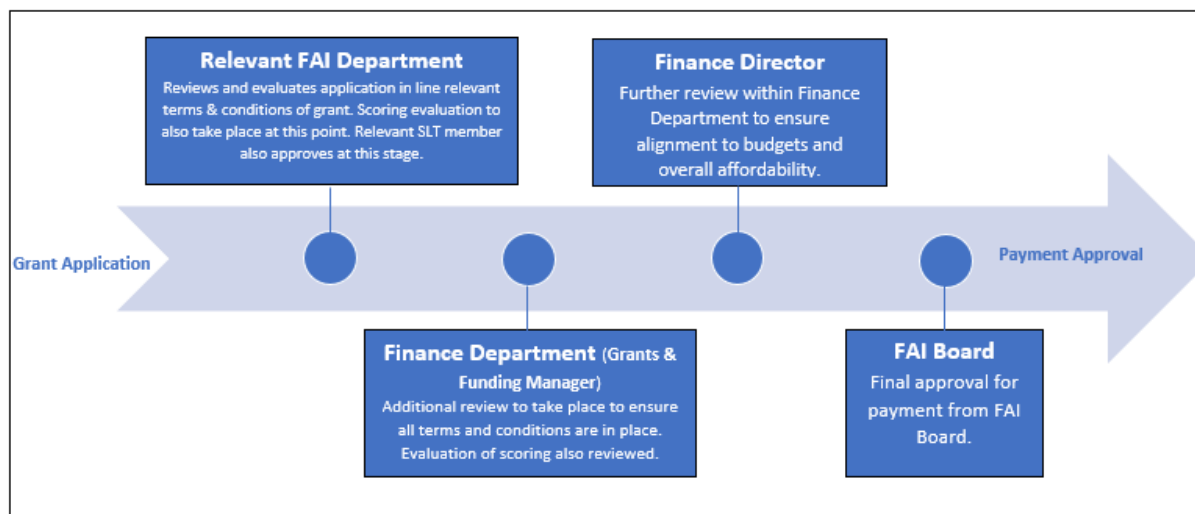


Fig. 1 – Approval process for 2022 grant funding applications

Scoring Matrix:



Affiliate Grant Application Scoring Matrix

Affiliate Name:		
Application Type:		
All General Info provided? (Affiliate Name, Address, Contacts, etc)		
Brief description of intended purpose of grant:		
Grant amount sought/ requirement date:		
Budgeted Amount:		
Breakdown of funds received in previous year(s):		Scoring (See table below)
Scored Question 1 (Add question from application here)	FAI Dep comments / reasoning for score	Score
Scored Question 2 (Add question from application here)	FAI Dep comments / reasoning for score	Score
Scored Question 3 (Add question from application here)	FAI Dep comments / reasoning for score	Score
Scored Question 4 (Add question from application here)	FAI Dep comments / reasoning for score	Score
Scored Question 5 (Add question from application here)	FAI Dep comments / reasoning for score	Score
Score- XX/XX		
Intended Use for Grant Funding (breakdown):		
FAI Department Recommendation (explained with detail):		

Scoring Table: Below is an example. Please adjust based on the number of questions in application and their weighting for this application.

Application Scoring Matrix				
1 = Very Poor/ No Evidence	2= Poor	3= Adequate	4= Good	5= Very Good
Scoring breakdown: - Max score is 20 - Score of 13+ gets progressed for approval - Score of 12 or less goes back to affiliate for more information				

Name

Signature

Date



Analysis of the Horse and Greyhound Racing Fund: Update

Report to

The Football Association of Ireland

April, 2023

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Executive Summary

- This report updates a previous report from 2021 on the operation of the Horse and Greyhound Racing Fund which has provided over €1.6 billion of public funding to Horse Racing Ireland (HRI) and Greyhound Racing Ireland (GRI) since 2001.
- This funding is set on a statutory basis being receipts from betting duties, distributed in the shares of 4 to 1 to these two bodies, or such a level as retains the real value of the funding, whichever is the greater.
- The value of betting duty receipts has risen sharply in recent years and disbursements have also risen so that total annual expenditure will reach €100 million in the near future. The ongoing growth of the gambling sector and the opportunity to raise the rate of duty without undermining the tax base also indicate that further increases are likely.
- Despite the level of public expenditure implied, there has been no evaluation undertaken of the value for money achieved, and the two sports bodies decide on the best way to spend the funds that are provided to them.
- The economic rationale for taxing gambling and for funding sports that was set out in the previous report remains valid. However, this does not provide a rationale for the allocation of all tax revenue to just two sports when betting takes place across a range of sports.
- Although there has been some progress towards the introduction of a gambling regulator in Ireland, it remains that there are no comprehensive data available on the distribution of betting across different sports. UK data indicate that horse and greyhound racing continue to account for about 43% of betting turnover while football accounts for about 34%.
- It is conservatively estimated that football accounts for between 19 and 31% of all betting in Ireland, amounting to between €1 and €1.5 billion in turnover in 2022. This betting would have given rise to duty of between €20 and €31 million in that year.
- If the payments that were made under the Horse and Greyhound Fund in 2022 were allocated to sports according to the sports on which the betting took place, football would have been allocated between €17 and €27 million from the fund in 2022.
- Public expenditure on sport in Ireland is well below other EU countries both as a percentage of public expenditure in total, and per head of population. This is despite the known positive social and economic returns from investment in sport, particularly sports with high levels of active participation.
- The level of funding that is provided to HRI and GRI dwarfs the funding that is provided to other sports bodies. In addition, the legislation guarantees the funds that are provided to racing but there are no such guarantees for other sports.

- The 2021 report identified three alternative options to address the anomalies that exist in relation to the Fund. These are to distribute the fund roughly in accordance with the sports on which the betting takes place, increase the level of the tax to 3% and allocate one-third of the receipts to sports other than horse and greyhound racing, or raise the duty to 3% and maintain the real value of the funding provided to horse and greyhound racing at its current level with the remaining funds being allocated to other sports.
- It is considered that these options remain valid for further consideration as they would maintain the real value of funding provided to HRI and GRI while providing much needed funds to other sports.
- It is also recommended that a proper evaluation is undertaken of the value for money that is obtained from the considerable levels of public expenditure on horse and greyhound racing to assist in identifying the optimal way to fund these and other sports.

1. Introduction

This report provides an update of an extensive report entitled *Analysis of the Horse and Greyhound Racing Fund in the Context of Sports Funding in Ireland* that was prepared by KHSK Economic Consultants for the Football Association of Ireland (FAI) in 2021. That report examined issues arising from the way in which all excise duty on betting in Ireland is allocated to just two sports: horseracing and greyhound racing. It showed that this was as a result of a unique piece of legislation, dating from 2001, that meant that, up to that point, almost €1.5 billion had been channelled to these two sports over the course of twenty years. This funding had been maintained at a high level through periods of economic crisis and without any meaningful evaluation of the value for money that was provided. Furthermore, the amounts being allocated have risen sharply in recent years.

The report drew a sharp contrast between this sustained funding for just two sports where active participation is limited to a few thousand people and the low level of sports funding in Ireland in general when compared to other countries. It showed that the available research indicates a high level of return from investment in sports with high levels of active participation. In addition, while data on gambling in Ireland are limited, the evidence supports the conclusion that a sizeable percentage of the funds that are provided to horse and greyhound racing arise from betting duties on other sports that do not receive any distribution from the Fund.

The report did not conclude that the mechanism that facilitates the redistribution of betting duties to sports should be abandoned, but that basic reforms are required to address the anomalies that have arisen. In addition to a need to examine the value for money that is obtained on a regular basis, it set out options that could be used to preserve the value of funding to horse and greyhound racing while achieving a more equitable and appropriate distribution of funds obtained from betting duty and help to address the deficits in Irish sports funding.

The 2021 report was prepared at a time when the COVID-19 crisis was ongoing and the full impacts on sport businesses and participation remained unclear. It was also undertaken in a period when legislation to create a gambling regulator for Ireland was being developed. The Horse and Greyhound Racing Fund continues to operate as before and has not been revised, although the amounts disbursed have continued to rise. For these reasons, it is considered appropriate that the data and analysis in the 2021 report be updated with conclusions revised as appropriate.

This update broadly follows the structure of the 2021 report but it is considerably more concise with the emphasis being placed on those aspects of the report that require updating. The historical origins of the funding mechanisms have not changed, nor has analysis in relation to the rationale for public investment in sports and the potential returns. These parts of the report are not repeated in this update but remain relevant. Indeed, it is recommended that this update be read in the context of the original report as the data and analysis in the original report remains relevant except where they have clearly been updated.

2. Context

2.1 *The Horse and Greyhound Racing Fund*

No one can dispute the importance of horse racing in Ireland and, while greyhound racing has suffered a period of decline, it remains an important social and leisure pursuit in specific areas of the country and for those involved. Furthermore, the performance of Irish horses, trainers and jockeys remains notable on a global scale with the sport showing a strong recovery post COVID.

The rationale for public investment remains as before: the betting industry is in the position of a 'free rider' being able to access the output of these sports freely to earn profits. They do not need to recycle any part of these profits back into the sports, although they choose to do so through advertising and sponsorship. The standard economic solution to the resulting market failure is to tax the betting and recycle the money back into the sports.

The origins of the Horse and Greyhound Racing Fund lie in the decision to greatly reduce the level of excise duties payable on betting. This was undertaken in the, justifiable, expectation that technological developments would make the previous system non-viable. However, as was shown in the 2021 report, taxes were cut to an excessive extent and, although there has been some minor reversal of this policy, there is likely unrealised potential to increase rates.

The legislation requires that the amount that is paid out from the Fund approximately equals duty collected in the previous year, that it is divided between horse and greyhound racing in the ratio of 4 to 1, that it is paid to the statutory bodies that oversee these sports, and that the real value of the funds are protected. There have been considerable deviations from some of these provisions in earlier years although these have not appeared in recent years, but these funds are always paid in this proportion to these two sports bodies. Importantly, there are few conditions attached to the funds: they are not earmarked for specific purposes and the relevant Ministers usually consider that is up to the two relevant overseeing bodies to use them as they see fit¹.

¹ See for example, the Minister's [Written Answers to Questions 899 to 902](#), 5th July 2022

A combination of the low rate of duty and the economic recession meant that the funds that were collected through betting duties fell to just over €25 million in 2013. While the real value of the funding paid out did not maintain its original level, the payment were subsidised from general taxation to the tune of almost €30 million in that year. Remarkably, given the severe constraints on the public finances at that time, no appraisal of value for money was undertaken. This imbalance in receipts and payments began to be addressed following the passing of the Betting (Amendment) Act 2015 which extended duty to remote bookmakers at a rate of 1% and to remote betting intermediaries at a rate of 15%. Duty from remote betting subsequently surpassed duty paid on traditional betting for the first time in 2020.

2.2 *The Problems that Arise*

While the Horse and Greyhound Fund may seem an efficient means to channel funding to sports, there are two obvious problems with this ‘solution’, particularly as it has been implemented. The first is that gambling occurs across a broad range of sports. This origin of the betting duty funds is difficult to identify in Ireland, as is discussed in greater detail below, but a large percentage does not arise from either horse or greyhound racing. As a result, while the ‘free rider’ problem is addressed to some extent in respect of racing, exactly the same argument can be made for all the other sports on which betting takes place. However, the payments are made to these two sports only.

Second, there is absolutely no economic reason why the levels of taxation and the levels of funding should be linked so directly, or at all, as is the case with the Fund. Instead, the level of taxation should be such that raises the maximum revenue while the level of funding should be set to maximise the value for money. Partly because of this – there are also other efficiency reasons why this type of ringfencing should be avoided – the sort of direct linkage between taxes and expenditure that is encapsulated in the Horse and Greyhound fund is generally avoided.

However, the Horse and Greyhound Fund is part of Irish legislation and it appears unlikely that this will change. The questions therefore relate to the levels of funds that are raised by betting duty and how these are used.

3 Operation of the Fund

3.1 Betting Duty

Betting duty receipts jumped from around €30 million per annum to over €50 million per annum after the duty was extended to remote betting from 2015. This value was further greatly boosted when Budget 2019 doubled the levy from 1% to 2% from the start of 2019. The introduction of a €50,000 tax credit in 2020, which means that bookmakers do not have to pay the levy on the first €2.5 million of turnover, thereby eliminating the liability completely for many small operations, plus the impact of COVID, meant that there was a decline in 2020. However, growth resumed in 2021 with the result that the duty raised almost €460 million in the period 2015 to 2021. Details are shown in Table 3.1.

Table 3.1: Revenues Raised from Betting Duty (2015 to 2021)

	Traditional	Remote	Total
2015	27,744,245	3,319,518	31,063,763
2016	28,126,271	22,618,984	50,745,255
2017	28,956,966	23,258,200	52,215,166
2018	28,867,366	23,468,572	52,335,938
2019	51,889,431	43,123,225	95,012,656
2020	39,021,093	47,750,347	86,771,440
2021	24,379,972	64,746,814	89,126,786

Source: Revenue Commissioners (Statistical reports)

2021 is the most recent year for which official data have been released. However, in 2022, the Tax Strategy Group noted that while receipts in 2021 fell short of the forecasted level of €100 million, this was the result of the payment schedule which is one quarter in hindsight². The Group's report noted that payments that related to betting activity that took place in 2021 were €92.5 million, which was €10 million ahead of payments that related to betting activity in 2020. This indicated that there was ongoing strong underlying growth with the result that the Group accepted a forecast that betting duty receipts in 2022 would be in the region of €102 million³.

² *General Excise Paper: Tax Strategy Group – 22/08*. Prepared by the Tax Division, Department of Finance, July 2022

³ The Group also noted that the tax is paid overwhelmingly by larger operators with the top 10th percentile by turnover of traders paying over 94% of duty on traditional betting while firms below the 70th percentile

The growth in the importance of remote betting, which accounted for over 72% of the total in 2021, is clear. It is also clear that increasing the rate from 1 to 2% had only a marginal impact, if any, on activity, suggesting that there is room for further increases in the rate. The Tax Strategy Group examined the option of increasing the rate to 2.25% and concluded that this would raise revenue by €12.5 million in a full year. This indicates a highly inelastic response, in other words, there would be no damping of activity. The Group also examined the impact of a simultaneous increase of the tax credit to €65,000 per operator in order to ensure that the additional burden fell on larger firms and, while noting concerns that this could infringe EU State Aids rules, concluded that the cost would only be in the region of €0.25 million per annum.

Despite the growth seen in this tax revenue in recent years, betting remains lightly taxed in Ireland. In 1994, when a 10% rate was applied, revenue from excise duty on betting amounted of 0.33% of overall net tax revenue. By 2010, this share had fallen to 0.1% and, even following the recovery of recent years, the tax still only contributes about 0.13% of receipts in 2021. Betting duty also amounted to just 1.5% of all excise duty in that year.

3.2 Fund Disbursements

Section 12(4) of the Horse and Greyhound Act 2001 requires that the Minister pay annually into the Horse and Greyhound Racing Fund:

An amount, determined by the Revenue Commissioners, equivalent to the revenue from excise duty on off-course betting paid into the Exchequer in the preceding year or the year 2000 increased by reference to the Consumer Price Index, whichever is the greater.

The 2021 report showed that actual payments from the Fund diverged considerably from Betting Duty receipts in many years with the result that total disbursements from the fund over the period since this legislation was enacted had greatly exceeded the revenues that had been received. In 2019, the Minister for Finance clarified to the Dáil that, since 2009, payments from the Fund have been considered to be a decision by the Minister for Agriculture⁴. It is maintained that the allocation is made on the basis of business plans that are submitted by Horse Racing Ireland (HRI) and Greyhound Racing Ireland (GRI). In recent years, the payments have come broadly back into line with betting duty receipts in the previous year and the 80:20 split between HRI and GRI is strictly maintained. The

by size paid less than 2% of the total. This means that the duty is not the cause of loss of market by traditional small operators.

⁴ See [Written Answers](#), 10th July 2019.

levels of payments from the Fund to these two sports governing bodies since 2015 are shown in Table 3.2.

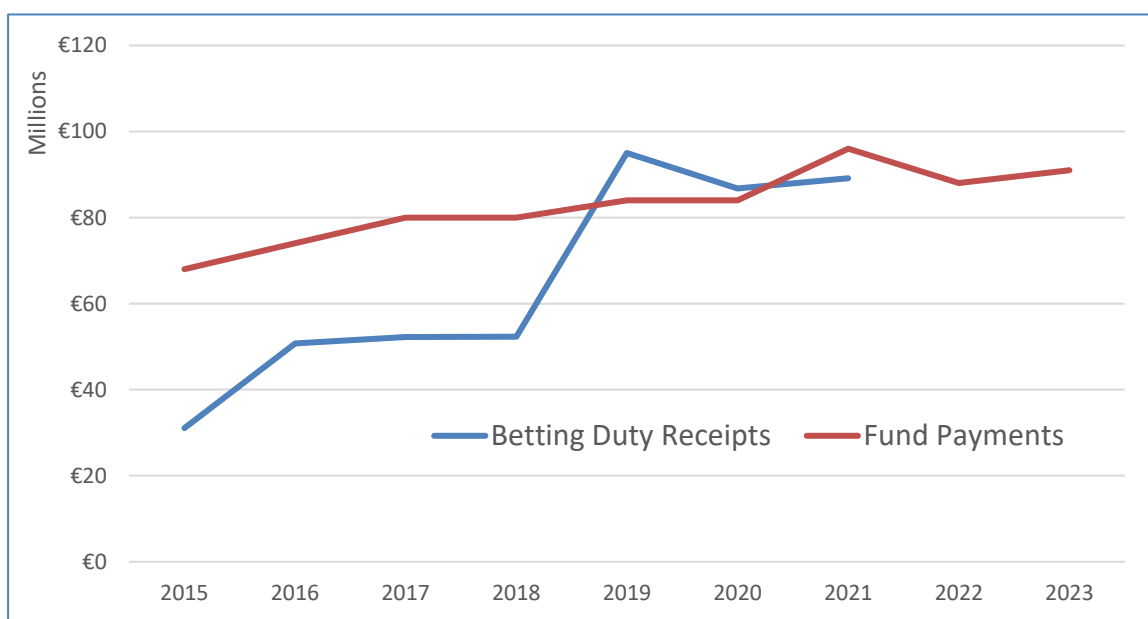
Table 3.2: Disbursements from the Horse and Greyhound Fund (2015-23)

	Horse Racing Ireland	Greyhound Racing Ireland ⁵	Total
2015	54,400,000	13,600,000	68,000,000
2016	59,200,000	14,800,000	74,000,000
2017	64,000,000	16,000,000	80,000,000
2018	64,000,000	16,000,000	80,000,000
2019	67,200,000	16,800,000	84,000,000
2020	67,200,000	16,800,000	84,000,000
2021	76,800,000	19,200,000	96,000,000
2022	70,400,000	17,600,000	88,000,000
2023	72,800,000	18,200,000	91,000,000
Total	596,000,000	149,000,000	745,000,000

Source: Department of Agriculture

This shows that the Fund has allocated just under €600 million to horse racing and almost €150 to greyhound racing since 2015. Total payments to these two sports since 2001 exceed €1.64 billion. Figure 3.1 shows how betting duties and fund payments have grown in recent years.

Figure 3.1: Betting Duty and Fund Payments, €millions, 2015-23



⁵ Greyhound Racing Ireland and its predecessors

Betting duty allocated to the fund up to 2021 amounted to just under €1 billion with funding from general taxation making up to the remaining €464 million (29% of the total). In terms of the real value of payments, after lagging the 2001 value for a number of years these once again exceeded the 2001 value in 2016 and are now in region of 25% higher.

The 2001 legislation that created the Horse and Greyhound Racing Fund set an upper limit to the total amount of money that could be paid under the legislation IR£200 million (€254 million) but enabled the Minister to increase this limit by any amount, provided the Minister for Finance agreed and the measure was approved by the Dáil. This has resulted in the introduction of an annual Statutory Instruments in the form of a Regulation to the Dáil, usually in December of each year. This allows for the aggregate limit to be increased to facilitate the additional payments that have already been announced by the Minister for the following year.

The limit has increased to €1.462 billion in 2020 and the most recent Regulation from December 2022 raised it further to €1.64 billion⁶. This process is likely to continue so that this requirement is administrative only and places no upper limit on aggregate expenditure under the Fund. The requirement does provide some opportunity for brief debate and oversight by the Oireachtas, but this is cursory and cannot be considered to be an examination of the operation of the fund, the rationale for its existence, or the value for money that is obtained from this considerable annual expenditure.

It is clear that the allocation to the Fund is broadly mirroring the amount of duty that is gathered in recent years and, given the Department of Finance forecast that betting duty would exceed €100 million in 2022 while the gambling industry continues to grow, it is reasonable to expect that that annual total disbursement from the fund will exceed €100 million per annum within the next couple of years.

3.3 *How the Funding is Used*

As noted above, the Minister provides limited direction on how the money that is allocated to HRI and GRI is used although there has been reference to the allocation being in response to business plans submitted by these organisations.

⁶ Statutory Instruments, S. i. No. 673 of 2022 *Horse and Greyhound Racing Fund Regulations 2022*

The 2021 report identified that the payment to HRI amounted to a subsidy of over €185,000 per race meeting in 2019, and to €51 per person who attended race meetings in that year. Attendances at meetings fell sharply during 2020 and 2021 but had almost recovered their previous levels in 2022 when just under 1.25 million people attended 388 race meetings in Ireland⁷. This was an increase in the number of meetings compared to the 363 held in 2019. This means that the funding provided in 2022 amounted a subsidy of €181,443 per meeting and €56.42 per person attending. This was an increase of over 10% per person attending since 2019.

Total prizemoney rose marginally from just over €66 million in 2019 to €66.7 million in 2022. The percentage of this that is provided by HRI fell back from 64.5% in 2019 to 62% in 2022. This amounted to just over €41 million, or 58.4% of the payments from the fund. This means that most of the money that is provided is allocated to prizemoney and that the level of money on offer continues to depend to a large extent on public funding. Winnings remain concentrated in fairly small number of owners with 7 national hunt owners earning over €500,000 each and 4 flat owners winning over €1 million each.

Efforts have been made to reverse the long term decline in greyhound racing as a sport but there little indication that this is being achieved. Attendances at greyhound race meetings had peaked at 1.39 million in 2005 before falling to just 600,000 in 2014. In 2019 total attendance was 463,000 and this had fallen to 158,000 in 2021, the last year for which figures have been published. Based on this, the allocation of 19.2 million to greyhound racing in 2019 would amount to a subsidy of over €121 per person, over 3.3 times the subsidy in 2019.

Total prizemoney in 2021 was €8.1 million with €6.2 million (76%) of this being provided by Greyhound Racing Ireland. This means that about 32% of the allocation to GRI from the fund was spent on prizemoney, a considerable reduction from the 57% of funding that had been allocated to prizemoney in 2019. It is likely that these numbers for 2021 may be affected by the ongoing effects of COVID in that year, but more recent data have not been published.

⁷ Horse Racing Ireland *Factbook 2022*

4. Betting Duty Revenues by Sport

4.1 *Data Sources and Calculations*

The rationale for public expenditure through the Horse and Greyhound Fund is that there is a free rider problem whereby betting businesses gain from races being held but do not need to pay for this value. The recycling of betting duties is a way to force the industry to pay. This is correct in terms of providing a rationale for the duty, but it does not provide any rationale for the provision of all the funds to just two sports when the betting that gives rise to the duty arises from a range of sports. Rather, if the rationale for public expenditure is provided by the need to address the free-rider issue, funds that are collected through betting duty should be allocated to the sports that give rise to the bets in direct proportion, to the extent that it is administratively feasible to do so.

The 2021 report pointed out that while there was some evidence that horse racing was the more popular sport for betting, it was thought that its relative importance had been declining over a prolonged period, particularly with the rise of internet gambling. However, there is no comprehensive dataset on gambling in Ireland from which it would be possible to directly identify which sports give rise to betting and in what proportions. The work was undertaken against the background of initial steps to introduce a gambling regulator for Ireland and it speculated that this situation might improve in the future. This was based on the fact that the UK gambling regulator – the Gambling Commission – publishes data on the value of gambling by sport in the UK.

There has been progress towards the introduction of a gambling regulator for Ireland. The biggest step was the introduction to the Oireachtas of the Gambling Regulation Bill 2022. This Bill is draft legislation and has been at its 3rd stage (the Committee stage when most amendments are identified) since December 2022. Among other provisions, it is intended that the legislation will lead to the creation of a new Gambling Regulator Authority of Ireland (GRAI) – which will act as regulator – a modern licencing regime, measures to protect consumers from the harmful effects of gambling, a new compliance and enforcement regime and the repeal of a range of existing legislation.

The GRAI does not exist as such until the Bill passes all stages with the result that there have been no developments in terms of the availability of data on betting in Ireland. Indeed, the draft Bill does not specify a requirement on the GRAI to provide statistics on the sports on which gambling takes place. However, the regulator will be free to do so in

the course of its operations. Considerations at the Committee stage have identified areas where data will need to be collected but these have generally centred on issues such as identifying problem gambling and uncovering irregular patterns of betting that might indicate match fixing⁸. However, the discussions have pointed to the UK model in these respects and suggested that existing practices be extended to Ireland by the GRAI. As a result, it remains to be seen if data will be provided in the future that will allow for the allocation of betting duty to different sports in Ireland, but the frequent references in consideration of the Bill to the UK system – although the Bill itself does not contain such references – suggests that data equivalent to what is published in the UK will be available in Ireland in the future.

Budget 2023 included an allocation of funding to the Department of Justice in respect of this new entity but the regulator will only become operational when the legislation is enacted. In the meantime, the licencing and regulation of gambling in Ireland remains based on a collection of disparate pieces of legislation, most of which were introduced long before the industry developed in its current form, and it continues to be the case that there is no central source of data from which it would be possible to allocate betting values across different sports.

In the absence of Irish data, the 2021 report used UK data to identify potential values for how much of Irish betting duty could be assigned to horse and greyhound racing, and how much to other sports, particularly football. The UK data showed that horse and greyhound racing accounted for 43% of betting revenues in the UK in the period April 2017 to March 2020 with betting on football accounting for 34%. The remaining 23% of betting was made up by a number of other sports. The data also showed that football was a larger part of the rapidly growing remote betting market accounting for 39% of betting turnover in this period. The report noted that there are likely some differences between the distribution of revenues in the UK and Ireland but concluded that horse and greyhound racing would account for between 49% and 61% of betting revenues, football (soccer) for between 19% and 31%, with other sports making up the remainder.

The most recent UK were released in November 2022 and provides data up to March 2022. These updated data include the full period affected by COVID. Details of the distribution of betting revenues in the UK are shown in Table 4.1.

⁸ Halpin, R. and C. Sweeney (2022) *Gambling Regulation Bill 2022: Bill Digest*. Report to Library and Research Service, Houses of the Oireachtas

Table 4.1: Distribution of Betting Revenue Across Sports in the UK

	Horseracing	Greyhounds	Football	Other
April 17 – March 18	38.1%	4.7%	32.9%	24.3%
April 18 – March 19	38.5%	4.4%	35.2%	21.9%
April 19 – March 20	38.5%	4.9%	33.2%	23.4%
April 20 – March 21	36.9%	3.4%	35.6%	24.2%
April 21 – March 22	39.2%	4.4%	35.0%	21.4%
All of period	38.3%	4.4%	34.3%	23.0%

Source: Calculated from UK Gambling Commission data

These data show only a marginal change when compared to the earlier period with the percentage accounted for by greyhound racing falling by 0.3 percentage points and the football share rising by 0.5 percentage points. This means that despite the disruption caused by COVID the industry structure has remained pretty much intact with a long term growth trend in the importance of football continuing.

There is no need to change the assumptions in the earlier report for translating this distribution to Ireland so that the portion accounted for by betting on football would lie in the range of 19 to 31%. Based on the estimate from the Department of Finance that betting duty related to betting activity in 2022 amounted to €102 million, betting on football in Ireland would have created betting turnover of between €1 and €1.5 billion in 2022. Betting duty on this would have amounted to an estimated €19.7 to €31.4 million.

If the payments made under the Horse and Greyhound Racing Fund were distributed according to the origin of the betting, football would have been allocated between €17 and €27 million from the fund. However, all the revenue was paid to horse and greyhound racing only.

4.2 Addressing the Anomalies

The 2021 report identified three options to address this anomalous situation and these remain valid. The first recognises that the funds allocated to horse and greyhound racing as a result of the growth of betting duty receipts since 2015 have created a windfall for the two sports such that the real value of the current allocation exceeds the real value in 2000 by approximately €20 million. This means that the reallocation of the fund in the portions of 60% to horse and greyhound racing, 20% to football and 20% to other sports would retain the real value of the funding, as required by the 2001 Act, while redistributing the funds in a manner that more closely approximates the origin of the revenues.

The second is to increase the duty rate to 3% and redistribute the additional funds, that is, 33.3% of the revenue that is raised, to sports other than racing. Successive reports from the Tax Strategy Group and others have examined this issue and concluded that there is considerable opportunity to increase the rate without undermining the revenue base. This could be done incrementally and it is considered that this would raise €40 million in a full year with potential for this to grow over time. This portion of the funding would be allocated to sports according to their importance in generating betting duty revenues. This would result in an estimated allocation to football of €23 to €27 million per annum with approximately €95 million being allocated to horse and greyhound racing in the first year.

The third option is to raise the duty rate to 3% and set the allocation to racing at its recent level adjusting it by the rate of inflation each year to maintain its real value. The remainder of the funds generated would be split between other sports according to their importance in generating the revenue. This would result in a similar level of funding for football in the initial years but this could grow over time as betting duty revenues grew, given the expectation that the growth trend that has been experienced in gambling over the past decade will continue for the foreseeable future. Additional measures could also be included to allocate a level of funding to sports that do not generate betting revenues.

5. Sports Funding in Ireland

5.1 *The Funding Provided*

It can be difficult to determine the precise level of public funding for sports in Ireland as different channels are used – centralised through national sources and local authorities – and funding is provided separately for operations and for capital projects. However, the Horse and Greyhound Fund is the direct provision of funding to HRI and GRI, which are effectively the National Governing Bodies (NGBs) of these two sports that oversee the operation of the sports and are responsible for these operations. This is similar to NGBs in other sports so that there are close similarities between these payments and the funds that are paid to NGBs.

The National Sports Policy, launched in 2018, contained a commitment that funding provided to sports in Ireland would double by 2027. This does not include the funding provided under the Horse and Greyhound Fund as this is a separate funding mechanism. Funding has indeed been increased. Core funding to National Governing Bodies (NGBs) increased from €10.8 million in 2018 to €13.8 million in 2021 and €15.3 million in 2022.

This growth in funding means that the promised increase appears to be on track. However, this funding is distributed across 58 NGBs. In stark contrast, the funding provided to GRI alone, as the national governing body for greyhound racing in Ireland, has exceeded the aggregate for these 58 NGBs in every year in this period. Meanwhile, the allocation to sports NGBs pales when set beside the annual allocation of €70 million on average that has been provided to HRI every year since 2018 through the Horse and Greyhound Racing Fund.

Funding is provided through the Sports Capital and Equipment Programme (SCEP) through the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media (DTCAGSM) and is the primary means of providing public funding for sports facilities. A Sports Capital Programme has been operating since 1998 and had provided €1.15 billion in total up to 2022. The SCEP currently provides about €150 million per annum and is funded under the National Development Plan.

A DPER review found that the current programme is well aligned with the National Sports Policy, but described it as an outlier when compared to previous years in terms of the level

of funding⁹. The review also found that there is no clear alignment between the funds that are provided and demand metrics such as population or regional dispersion. Most funding is provided to clubs, although local authorities, community groups, NGBs and schools can also benefit.

Although funding provided under the SCEP increased substantially in recent years, it closed for applications in March 2021 and assessments of applications are ongoing. This current hiatus in applications and lack of any indication for when new applications might be accepted means that the current and future level of annual spending under the SCEP is unclear.

Funding is also provided for sports facilities through local authority budgets that are funded from a number of schemes administered by DTCAGSM and the Department of Rural and Community Development. The resulting expenditure on sports, playgrounds and cultural activities amounted to €39.6 million in 2021¹⁰.

Data from the Department of Housing, Local Government and Heritage indicate that local authority operational expenditure under the 'Community, Sport and Recreation Development' heading in 2022 was €73.3 million, excluding expenditure on operations in 'Outdoor Leisure Areas'¹¹. However, it has been estimated that only about 50% of the funding that is allocated in local authority budgets under the heading of sport and recreation might be considered to be sports funding¹². This would indicate that annual expenditure by local authorities on sports is in the region of €35 to 40 million.

While there is possibly some cross-over and it is difficult to be certain how much of the local authority budgets is actually sports funding, these numbers indicate that current funding for sport in Ireland is in the region of €240 million, not including the Horse and Greyhound Racing Fund, including both capital and current expenditure. This means that the allocation to HRI and GRI amounts to about 30% of the total public expenditure on sport in Ireland. However, apart from the level of funding per participant in these sports, there are important differences. Three issues are particularly notable.

⁹ Department of Public Expenditure and Reform (2022) *Focussed Policy Assessment: The Distributive Efficiency of the Sports Capital and Equipment Programme (SCEP)*

¹⁰ Comptroller and Auditor General *Report on the Accounts of the Public Services 2021*. Chapter 6: Central government funding of local authorities.

¹¹ Department of Housing, Local Government and Heritage (2022) *Local Authority Budgets 2022*

¹² 'An Assessment of the Economic Benefits of Sport'. Report by Investec to the Federation of Irish Sport, September 2019, pages 12 and 13.

The first is that sports funding, particularly investment in facilities, has grown considerably in recent years. There is no guarantee that this will be maintained and experience of past recessions indicates that this level of funding is not assured. In contrast, the level of funding to HRI and GRI is set by legislation and past experience shows that the funding was maintained even when betting duty receipts fell sharply in the period prior to 2015.

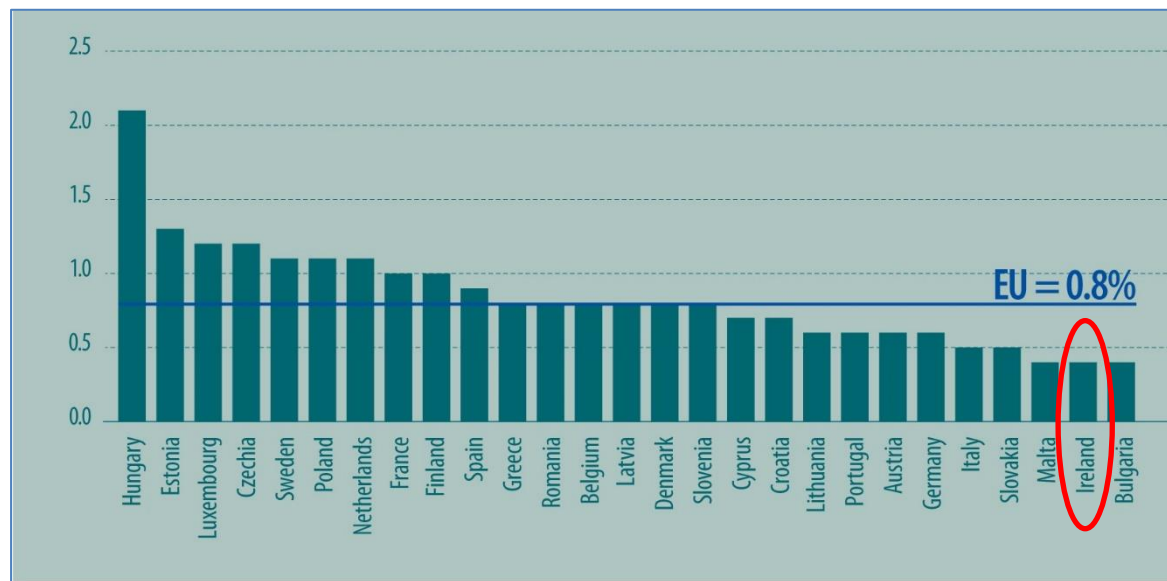
The second is that the statutory requirement to pay all betting duty funds to these two NGBs means that considerable real growth in the value of the funding has been seen and that this is likely to continue. The gambling industry has been growing rapidly and this is forecast to continue. The result is a sustained level of public funding of racing that is assured for the foreseeable future, while other sports rely on time delimited programmes and operational decisions in relation to annual budgets.

The third issue is that the public expenditure under the Horse and Greyhound Fund is provided directly to the NGBs to use as they see fit. Most is spent on operations, particularly on prizemoney. In contrast, only a small portion of the funding that is provided to other sports is provided to the NGBs with most going on infrastructure that is managed by clubs – who may have contractual relationships with the NGBs – or by other entities such as local authorities and Sport Campus Ireland. The NGBs for the sports in question may have contractual or *ad hoc* arrangements with these bodies for the use of the facilities, with local authorities often dealing directly with clubs.

5.2 Comparative Analysis

This situation would certainly indicate that closer examination of the structure of providing funding to sports in general is required and that examination of the value for money that is obtained from the funds provided to racing is long overdue. However, the issue is not just the potential returns as sports have been under-funded in Ireland for a prolonged period.

EU data indicate that expenditure by Member States on recreation and sport has remained stable for a prolonged period at 0.7 to 0.8% of total expenditure. However, as shown in Figure 5.1, there are considerable differences between countries. It is inevitable that there will be some differences in accounting definitions and it is not possible to identify spending on sport separately from recreation, but these data indicate that Ireland, at 0.4%, was towards the lower end of expenditure and well below the EU average.

Figure 5.1: Recreation and Sport as a Percent of Total Public Expenditure (2018)

Source: Eurostat

Expenditure on sport per inhabitant in Ireland is also low as shown in Figure 5.2. With expenditure per person of about €65, Ireland was well below the EU average of €113 per person and far less than the leading Nordic countries who spend around 3 to 4 times as much per person as in Ireland.

Figure 5.1: Expenditure on Recreation and Sport per Inhabitant in the EU (2018)

Source: Eurostat

These estimates include sport and recreation, and expenditure on sport in Ireland has certainly grown in recent years. However, using the estimate of €240 million from above for total public expenditure on sport in 2022, this would still amount to just 0.24% of total

public expenditure, and €48 per person per annum. More recent Eurostat data from 2021 for the wider category of 'Recreation, culture and religion' also show that public expenditure accounted for 1.2% of EU GDP and 2.3% of all public expenditure in the EU, but just 0.5% of Irish GDP and 1.8% of public expenditure. These estimates do not indicate that the gap between Ireland and the EU average in terms of expenditure on sport has been closing.

6. Findings and Recommendations

This report provides an update of the previous report on the operation of the Horse and Greyhound Racing Fund. This Fund, which has been in operation on a statutory basis since 2001, provides funding to the governing bodies of two sports – horse racing and greyhound racing – in respective portions of 4 to 1, based on receipts from the betting duty that is collected on all gambling in Ireland. Since its inception, this funding has amounted to over €1.6 billion of public expenditure by the Department of Agriculture that is administered by the governing bodies of these two sports. Although there has been some limited debate on this expenditure in the Oireachtas, and particularly the lack of examination of the returns on this expenditure or the value for money that results, there is no indication that any change is imminent.

The value of betting duty receipts has risen sharply in recent years and disbursements have also risen. Sport was just emerging from the impact of COVID when the earlier report was prepared and it was suggested that the sharp rise in 2021 expenditure was a response to this situation. However, the new higher level of funding has approximately been maintained and the correlation between the level of funding and the level of receipts suggests that total annual expenditure from the fund will reach €100 million in the near future. This means that there has been a substantial real increase in the level of funding provided to these sports with prize money being the main beneficiary. The ongoing growth of the gambling sector and the clear opportunity to raise the rate of duty without undermining the tax base also indicate that further increases are likely.

The economic rationale for taxing gambling and for funding sports that was set out in the previous report remains valid. However, this does not provide a rationale for the allocation of all tax revenue to just two sports when betting takes place across a range of sports. Furthermore, there is no sound rationale for linking the level of funding of any sport to the receipts from taxes on gambling.

Although there has been some progress towards the introduction of a gambling regulator in Ireland, no data are available on the distribution of betting across different sports. UK data indicate that despite the impact of COVID, horse and greyhound racing continue to account for about 43% of betting turnover while football account for about 34%. Assumptions were set out in the previous report to translate these to the Irish context and these remain appropriate. Based on this, it is estimated that football accounted for between 19 and 31% of all betting, amount to between €1 and €1.5 billion in turnover in 2022. This would give rise to betting duty of between €20 and €31 million in that year. If

the payments that were made under the Horse and Greyhound Fund in 2022 were allocated to sports according to the sports on which the betting took place, football would have been allocated €17 and €27 million from the fund.

While there have been increases in public expenditure on sport in Ireland in recent years, the level of funding that is provided to just two NGBs – HRI and GRI – dwarfs the funding that is provided to other sports bodies. Much of the increased funding is in the form of capital grants for facilities under the control of clubs and other bodies. In addition, the legislation guarantees the funds that are provided to racing but there are no such guarantees provided to NGBs in other sports. Public expenditure on sport in Ireland also remains well below other EU countries both as a percentage of public expenditure in total, and as expenditure per head of population. This is despite the known positive social and economic returns from investment in sport.

The 2021 report identified three options to address the anomalies that exist in relation to the Fund. These are to:

1. Distribute the fund roughly in accordance with the sports on which the betting takes place with 60% for horse and greyhound racing, 20% for football and 20% for other sports being identified as a starting point until better Irish data are provided.
2. Increase the level of the tax to 3% and allocate one-third of the receipts to sports other than horse and greyhound racing according to the level of betting that takes place.
3. Raise the duty to 3% and maintain the real value of the funding provided to horse and greyhound racing at its current level. The remaining funds would be allocated to other sports as above.

It is considered that these options remain valid for further consideration as they would maintain the real value of funding provided to HRI and GRI while providing much needed funds to other sports. In addition, it is recommended that a proper evaluation is undertaken of the value from money that is obtained from the considerable levels of public expenditure on horse and greyhound racing to identify the optimal way to fund these and other sports.



BETTING LEVY

“The FAI’s proposal that the distribution of revenue from tax on betting be reviewed with a view to benefitting all sports”

INTRODUCTION

As the Committee will be aware the FAI commissioned research into how betting levy proceeds are derived and distributed in Ireland. The association instigated this in response to the need for Football to put forward constructive funding solutions to address chronic under investment in facilities as outlined in our [Facilities Vision and Investment Strategy](#).

Please find attached a copy of the “Analysis of the Horse and Greyhound Racing Fund in the Context of Sports Funding in Ireland”, carried out by Economic Consultants, KHSK. We have attached the 2023 Update Summary Report (24 pages) which was refreshed in line with the release of our Facilities Vision. It references a more detailed initial report (77 pages) that was produced in 2021 – this can be provided to the Committee if required.

SUMMARY

The report itself offers a succinct executive summary but for ease of reference please find key findings that relate to the Committee topic:

- Ireland has a 2% betting levy – one of the lowest across Europe
- At this level it currently generates just short of €100m per annum in receipts which are effectively ringfenced* for the Horse and Greyhound Racing Fund.
- The Horse and Greyhound Racing Fund has received over €1.6bn since 2001
- This funding is set on a statutory basis and is linked to receipts from betting duties, distributed in a ratio of 4:1 to the respective bodies Horse Racing Ireland (HRI) and Greyhound Racing Ireland (GRI)
- 2023 saw €91m allocated - €72.8m to HRI and €18.2m to GRI
- Meanwhile the gambling industry has fundamentally evolved with Football now estimated to account for up to 31% and racing just over 50% of all bets placed in the country.

DEVELOPMENTS

Following the release of our research in 2023 the Government have indicated that since the 2009 transition of accountability for the Horse and Greyhound Racing Fund moved from the Department of Sport to the Department of Agriculture that revenue from the betting levy is no longer directly linked, but instead it goes into general exchequer funds.

However, it is still acknowledged that a tacit link remains with the contributions to the Horse and Greyhound Racing Fund. Brendan Gleeson, Secretary General of the Department of Agriculture advised the Public Accounts Committee in May 2023:

“There’s a betting tax there, it’s in the mid 90 millions, that’s correct, it covers or close to matches the cost of this – it’s not a strict process of hypothecation [ringfencing] but it’s part of the policy picture that supports the investment of these sectors.”

THE FAI PROPOSAL

While the FAI commissioned report identifies three options the FAI is not proposing any reduction in funding for Horse or Greyhound Racing whom we recognise deliver value for the country and their respective communities. Our preference is therefore for the Government to consider Option 2.

This would see the duty raised from 2% to 3% with the additional funds (currently estimated to be circa €40m per annum) distributed amongst other sports.

Note this request is not being made by the FAI in isolation – the Federation of Irish Sport (the body representing all NGB’s and LSP’s in Ireland) in advance of the most recent budget have called for Taxation Reform under Action 3.7 of the National Sports Policy, seeking a raising of the Betting Levy from 2% to 3%. Further to this a series of ministers with responsibility for sport (including Minister Martin as recently as Oct 2023) have also called for the same from the Department of Finance.

It is not uncommon for distributions to be directly linked with the sports by which the levy is collected against. For example, the Portuguese Football Federation (FPF) have benefited from 60% of all betting levy collections in the country over the last five years – delivering a significant €146m. Betting levy distributions now represents 25-30% of the FPF’s annual revenues and has allowed them to reinvest at all levels of the game to great effect and social benefit.

The upcoming Gambling Regulation Bill (currently at Stage 4 Review) is likely to bring about data driven insights into which sports directly generate betting receipts for the state. Combine this with the Governments proposed independent external review of the Horse and Greyhound Racing Fund’s impact/value and we feel a review of the distribution method is justified.

Hopefully this will result in some much-needed investment being directed towards football facilities, helping to establish a football industry of our own.

We welcome the opportunity to discuss our thoughts on this further with the Committee.

Summary Update on Overall MOU Position (22nd December 2023)

Source	Rec	Recommendation/Condition Wording	Status
GRG	1	The six governance principles proposed by the group should be adopted by the FAI Board as appropriate and relevant to the functioning of all facets of the Association, from clubs through to Board and Council. The six principles are: good governance; effective leadership; accountability and transparency; ethical behaviour and integrity; stakeholder engagement; and professionalism	Complete
GRG	2	A priority for the Association should be the development of a governance manual or governance code which will incorporate updated and new governance policies and which will be formally adopted by the Board.	Complete
GRG	3	All Board and committee members should receive formal induction training including in relation to their roles, responsibilities and their duties as a Board member as well as induction and advice on the ethical and behavioural standards that members are expected to adhere to. Regular briefings, updates, training and development initiatives should be organised at pre-determined stages throughout the term of the Board and committees and as well as in response to members' needs.	Complete (Phase 1)*
GRG	4	On appointment, all Board and committee members should receive a formal letter of appointment which sets out information in relation to their role. Members should also be provided with the code of conduct, declaration of interest forms, details of mandatory training obligations, the Board/committee work programme, key governance policies and procedures and other relevant matters	Complete
GRG	5	Updated and, where necessary, new and more comprehensive terms of reference for the Board and committees should be developed and annual work programmes should also be agreed and approved.	Complete ¹
GRG	6	The current schedule of matters reserved for the Board should be revisited and where necessary expanded to incorporate other normative obligations and explicit roles for the Board in areas such as financial governance, capital expenditure, joint ventures and partnerships and performance monitoring. Appendix 9 includes additional areas which could supplement the existing schedule approved by the Board in 2018.	Complete
GRG	7	Consistent with and complementary to Recommendation 6 above, further work clarifying the roles and responsibilities of the Chief Executive and other senior executives should also be undertaken and reflected in an updated schedule of delegations from the Board to the executive. The delegations should be regularly reviewed and communicated to avoid any ambiguities.	Complete

Summary Update on Overall MOU Position (22nd December 2023)

GRG	8	The Board should formally assign a qualified person to the role of Company Secretary.	Complete
GRG	9	The Board should use 'private sessions' as required whereby there is a short meeting of Board members without any member of the executive being present, and these could take place as required before or after a regular Board meeting.	Complete
GRG	10	There should be provision that the Board has access to independent professional advice as deemed necessary and there should be a clear and well-explained process for seeking external advice.	Complete
GRG	11	Consistent with good governance practice, the Board should undertake an annual review of its own effectiveness, and that of its committees. The review of Board effectiveness will also allow for reflection on the Board's role in setting the tone and culture and how it purposefully ensures the right tone and culture apply throughout the organisation.	Complete
GRG	12	The Board's leadership role and manner in which it directs and controls the organisation should be evident through its role in strategy for the Association. Setting, implementing and monitoring strategy should be a key role and priority. There should be an explicit strategic planning process led by the Board with significant input from the executive which engages in wider stakeholder consultation and engagement and which recognises and looks for contribution from committees.	Complete
GRG	13	The Board should agree and formalise a periodic scheduled review of the strategy to consider if it is and remains 'fit for purpose' or if aspects need to be revisited in the context of new or evolving circumstances.	Complete
GRG	14	Performance reporting of progress and achievements should be a regular item on the Board agenda. So as to clarify expectations around these reports, the Board and the senior executive should work together to identify and agree key performance indicators and measures for regular reporting.	Complete

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GRG	15	The Board is required to have and should prioritise the implementation of a comprehensive risk management system across the whole organisation. This will necessitate the urgent development of a Board-approved risk management policy, the putting in place of a risk framework and, importantly, the rollout of an effective risk management process involving management and staff at various levels across the organisation. A designated chief risk officer/manager should be appointed to lead the implementation of the risk management system.	Complete
GRG	16	Risk management and the consideration of principal risks and uncertainties should be a regular standing Board agenda item and be part of the Board's work programme for the year and the Board should consider delegating aspects of the oversight and monitoring of risks to a newly constituted Audit, Risk and Compliance Committee.	Complete
GRG	17	The Board needs to ensure that a robust culture of 'holding to account' operates and is seen to operate within the organisation. This should permeate the work of the Board, the committees and senior management and allow for constructive challenge and dialogue on key issues including the delivery of plans and targets, uncertainties, risks and opportunities, financing and resourcing and on how the interest of the organisation is best served.	Complete
GRG	18	As part of its work programme, the Board should consider and agree a process of evaluating the performance of the CEO. The process should be appropriate and transparent, supported by performance measures or indicators, developed in line with the strategic plan and annual priorities, against which to assess the work of the CEO. The process should be led by a committee of the Board. As outlined in Section 6, the FAI committee with this responsibility should be the Executive Performance and Remuneration Committee.	Complete
GRG	19	So as to facilitate the monitoring and oversight role of the Board and to ensure adequate communications and flow of information from committees to the Board, specific work should be undertaken to consider the nature, extent and quality of the information flow and communications between the Board, Committees and the Executive.	Complete
GRG	20	In the context of ensuring good-quality Board papers and the efficient handling of agenda items at meetings, papers, reports and presentations provided to Board members should be prepared in line with the priorities of the Board as highlighted in its work programme for the year.	Complete**

Summary Update on Overall MOU Position (22nd December 2023)

GRG	21	Consistent with good governance practice, the papers would have a short summary page and should also be clear in terms of what action or input is required by the Board and whether the paper or report is for information, for noting, for discussion, for decision or for approval.	Complete
GRG	22	While acknowledging that there may be exceptional circumstances relating to confidential information that may need to be handled sensitively and not circulated in advance, the norm and standard should be that all Board papers are circulated five working days in advance. This circulation practice should also apply to committees. In relation to confidential matters, the Board and committee members should be periodically reminded of their wider code of conduct obligations and the specific obligations in relation to confidentiality.	Complete**
GRG	23	The Board should immediately establish an audit, risk and compliance committee, consistent with good governance practice, and approve the terms of reference for this committee. This is also discussed in Section 6. Its key functions include assessment and oversight of internal control systems, the commissioning and reviewing of internal audit reviews, continued liaison and engagement with external audit, overseeing the overall assurance framework and seeking and being provided with management assurances for key business and functional areas, organisational compliance with legal, regulatory and governance obligations as well as the overview and monitoring of the risk management system.	Complete
GRG	24	Independent internal audit is a key part of instituting effective internal control systems and is a fundamental requirement of good governance practice. As the FAI does not currently have and has not had an internal audit function, it should immediately make arrangements for the establishment of an internal audit function	Complete
GRG	25	An overall assurance framework should be developed to support the Board in fulfilling its key governance obligations. The role of management assurances, and their nature and extent, is also a critical element of the assurance framework.	Complete
GRG	26	The code of conduct obligations incorporating the ethical standards expected should be regularly communicated to Board members and staff. A similar code of conduct should be prepared and formally issued to committee members, council members and contractors and agents working for and on behalf of the Association.	Complete

Summary Update on Overall MOU Position (22nd December 2023)

GRG	27	As governance obligations continue to evolve and as recommendations arising from this and other reviews and examinations are provided, a dedicated compliance officer role/compliance function should be created within the organisation. This role would align the organisation with UEFA, which has recently established a dedicated compliance office within its structure.	Complete
GRG	28	The Association's stakeholders and stakeholder groupings are wide and varied and a range of engagement processes have been used over the years to communicate and consult with stakeholders. Stakeholder engagement and consultation processes should be documented and formalised and an overall policy approved by the Board.	Complete
GRG	29	In terms of its performance and stewardship reporting through annual financial statements and reports or by other means, the annual report should include an overview of the work of the Board and committees and confirmation of the extent and quality of the Board's governance arrangements.	Complete
GRG	30	All grant or funding agreements above a defined threshold (e.g. €10,000) should be presented to the Board for review and approval.	Complete
GRG	31	A Certificate of Compliance signed by the Chief Executive and Finance Director should be presented [to the Board or relevant Committee] confirming that all governance, compliance and statutory conditions attaching to such external third-party grant or funding agreements have been fully complied with and the funding lies within the terms of reference or guidelines for any such external financial support.	Complete
GRG	32	A register of funding sources should be established to record and monitor all external funding provided to the Association to be reviewed by the Board, or delegated Board Committee, on a biannual basis.	Complete
GRG	33	Additionally, consideration should be given to the establishment of a list of suitability criteria agreed by the Board and to apply to any new funding sources or opportunities presented to the Association.	Complete
GRG	34	All new or first-time funding sources, irrespective of quantum or term of the funding being provided, should require Board approval before being proceeded with.	Complete

Summary Update on Overall MOU Position (22nd December 2023)

GRG	35	All funding agreements, irrespective of any agreed thresholds or approval processes, should be proposed to the Board (or relevant Board Committee, with notice of such presentation to be advised to the Board) and signed by at least two members of the Executive Management Team.	Complete
GRG	36	The Chief Executive should present a biannual report to the Board confirming that all of the governance and compliance requirements of any service-level agreement entered into between the FAI and third parties have been fully met. Such a report could include the following: Funding is used solely for the purposes included in the original approval; No matters of reasonable materiality (to be defined) have arisen since the last report that need to be advised or reported to the Board; and no breaches of terms or disputes have arisen since the last report. It should also be clear that no material change to provisions in agreements will be permitted without Board or designated Board Committee recorded approval.	Complete (Phase 1)¹
GRG	37	In relation to funding and grants by the FAI, there should be a clear policy in place that sets out the criteria for awarding grants, relevant thresholds and governance terms and conditions applicable to awards. As part of the biannual report to the Board referred to above, details of such grants and funding should also be included.	Complete
GRG	38	The Board should formally consider the (community development) Programme on at least two occasions per year. A report should be presented from the Director of Grassroots (or relevant executive with responsibility for such programmes) on the implementation and performance of this programme and of any disputes, problems or shortcomings identified.	Complete
GRG	39	All new agreements [relating to Heads of Agreement with Local Authorities for the Football in the Community Development Programme] should require ratification by the Board while all renewals, continuations or extensions of existing programmes should be advised to the Board in advance of completion with confirmation from the Chief Executive that no significant amendments or modifications have arisen since previous approval or renewal.	Complete
GRG	40	An in-depth review should be undertaken in relation to the operation of any and all joint ventures or significant partnerships to which the Association is a participant.	Complete

Summary Update on Overall MOU Position (22nd December 2023)

GRG	41	A designated Board member should be delegated as a Board member of any such joint venture partnership, ideally having the requisite skills and experience to ensure the Association's assets are fully protected and the Association is not exposed to unnecessary risk.	Complete
GRG	42	As a normal practice, all minutes of the regular Board meetings of any joint venture entities should be presented and made available to the Association Board or a designated Board Committee. If delegated to a Committee, that Committee's regular report to the Board should include a commentary and report on performance of the joint venture entity.	Complete
GRG	43	Any obligations being assumed by the Association above an agreed threshold should be a matter for decision by the Board and no commitments above such a threshold should be assumed by the Association without recorded Board approval.	Complete
GRG	44	Regular (annual) reviews of the strategic rationale for and benefit/cost to the Association of remaining a party to any joint venture activities should be undertaken by the Board or a designated Board Committee, e.g. Audit, Risk and Compliance Committee. There should be a clear reporting structure as between the various joint venture entities and the Board.	Complete
GRG	45	Approval for any such commitments must reside at Board level (above a designated threshold) and any proposals to the Board for approval for such commitments must include a full financial, operational and risk analysis (requirements to be decided and agreed upon by the Board on an annual basis) before consideration for approval can be progressed.	Complete
GRG	46	The annual presentation of the year-end accounts to the Board for approval should include a schedule of all new commitments assumed by the Association over the preceding 12 month period and a projection of the funding requirements of the Association for the coming 12 months, with particular reference to the likelihood of a requirement to assume further significant financial obligations above those currently pertaining.	Complete (Phase 1)

Summary Update on Overall MOU Position (22nd December 2023)

GRG	47	Final approved Audited Accounts for all third-party or joint venture entities where the Association holds a material interest must be presented to the Board for review – this presentation is to include a commentary by the Chief Executive/Finance Director on all material matters relevant to the Association’s participation.	Complete
GRG	48	<p>The role of the Board should be clearly stated, documented and formally advised to all Board members in advance of taking up their positions. The role of the Board should include:</p> <ul style="list-style-type: none"> • Setting the strategic direction of the Association and reviewing progress. • Overseeing the development, promotion and regulation of football matters. • Agreeing business plans and major plans of action. • Monitoring organisational performance. • Ensuring effective accountability and holding to account arrangements are in place and operate as necessary. • Overseeing the financial structures and performance of the Association. • Reporting on financial and corporate performance including its governance and stewardship activities. • Appointing the Chief Executive Officer and overseeing his/her performance • Agreeing and overseeing annual budgets. • Overseeing major capital expenditure and investment decisions. • Ensuring that effective risk management and internal control processes are in place and monitoring and reviewing their implementation. • Putting in place an effective Board Committee structure to support the Board in its role. • Monitoring and assessing its own performance and that of its committees. • Ensuring that legal, regulatory and governance obligations are adhered to. 	Complete
GRG	49	Consistent with UEFA and FIFA statutes, a clear job description and role profile should be developed for the role of FAI President and Vice-President which sets out the key obligations of the position and the representational role of the President in the Association’s dealings with stakeholders. A clear job description and role profile for the Chairperson of the Board should also be developed.	Complete
GRG	50	As part of the governance policies and for inclusion in the governance manual, the respective roles and responsibilities of the President, Vice-President and Chairperson of the Board should be outlined in significant detail to ensure that there is a clear distinction and understanding of the different roles and responsibilities	Complete

Summary Update on Overall MOU Position (22nd December 2023)

GRG	51	The skills/experience which should be reflected in the Board are: Football Administration Financial Legal Governance Risk Management Board experience Business Management Human Resource Management	Complete
GRG	52	The composition of the Board should include independent Directors.	Complete
GRG	53	The Chairperson of the Board should be an independent director as this role is separate from the role of the President. A clear job description and role profile for the Chairperson of the Board should also be developed.	Complete
GRG	54	The Board should consist of 12 Members: the President, Vice-President, six members representative of the Football community and four independent Directors, of whom one would be the Chairperson of the Board.	Complete
GRG	55	The positions of Honorary Secretary and Honorary Treasurer should not be part of the revised structures and should cease to exist.	Complete
GRG	56	In terms of gender balance, it is desirable that board membership consist of a minimum 33.3% of both genders within 12 months and that this percentage be mandatory within 24 months.	Complete
GRG	57	It should be an objective of the Association that this gender balance also be reflected at Council, Committee and AGM level and this should be achieved within three years.	Time Bound Target

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GRG	58	In terms of clarity of roles and responsibilities and the preeminent role of the Board in directing and controlling the organisation, we recommend that the Chief Executive should not be a member of the Board. The Chief Executive will normally attend Board meetings, and other senior executives would attend by invitation and for some relevant agenda items to support the Board in its deliberations.	Complete
GRG	59	The election of the President and Vice-President should take place at the AGM.	Complete
GRG	60	That Council should continue to be the body to elect from its membership the footballing representatives to the Board.	Complete
GRG	61	That the six Board members coming from the football community be elected using a four-constituency model.	Complete
GRG	62	That a Nominations Committee be formed by the Board after the election of the Officers (President and Vice-President) and the elected football representatives. The final composition is to be agreed and the Group suggest that the Committee membership should be small and have external representation as well as an external expert in recruitment and selection and also that the President should be a member of the Committee. There should be a separate process for the recruitment and selection of the Independent Chairperson of the Board.	Complete

Summary Update on Overall MOU Position (22nd December 2023)

GRG	63	All those nominated for Board membership from the football community should be required, as part of the nomination process, to outline the particular skills or competencies they would bring to such membership allied with their experience in football administration. This list as outlined in Recommendation 51 is as follows: a. Football administration b. Financial c. Legal d. Governance e. Risk Management f. Board experience g. Business management h. Human resource management	Complete
GRG	64	There should be limits to the terms of office for Board members (currently eight years in total). The limit for all members of the Board should be eight years (4 × 2 year terms).	Complete
GRG	65	There should be a maximum term limit of 10 years for members of Council.	Complete
GRG	66	There should be an agreed process for the change of Council membership taking into account and acknowledging the service of current members. Any Council member with more than 10 years service, should only be allowed to serve on Council for a maximum of three further years.	Complete
GRG	67	The Board Committees should be restructured so that the Board is supported by a number of Committees, some of which will support it in the business elements of its role ('the business committees') and some of which will support it in the football elements of its role ('the football committees'), with the 'football committees' having a dual reporting role to both the Board as the governing body and to (and through) a Football Management Committee (FMC) which will oversee the development, promotion and regulation of football.	Complete
GRG	68	The term 'Standing Committee' should be replaced by the term 'Board Committee'.	Complete

Summary Update on Overall MOU Position (22nd December 2023)

GRG	69	New terms of reference for the Board Committees should be drafted which clearly set out the objectives, functions and modus operandi of such committees. These are to be approved by the Board and should be reviewed regularly to ensure they remain appropriate and relevant to the work of the committee. (Information on what should be included in the committee terms of reference is set out in Appendix 11).	Complete
GRG	70	The Chairpersons of the business committees should be formally appointed by the Board and the Chairpersons of the football committees (with the exception of the Club and League Development Committee) should be elected/nominated by the respective committee members and formally confirmed by the Board.	Complete
GRG	71	Each committee should be supported by a designated executive lead which will facilitate overall co-ordination of the work of the committees and their reporting to the Board. The development and implementation of committee work programmes consistent with new terms of reference will further ensure greater effectiveness.	Complete
GRG	72	Board agendas should include provision for each of the committees to provide an update to the Board and to bring relevant matters to its attention via written reports and verbal updates.	Complete
GRG	73	There should be specific provision for the appointment or co-option by the Board of external, suitably qualified people as members of Board Committees. A final determination on the number of Board members on committees should be made by the Board.	Complete
GRG	74	There should be a number of additional special interest working groups and panels where membership could be a mixture of Council members and persons with specialist expertise (both internal and external to Council), and these would include: Child welfare and safeguarding, Diversity and inclusion, Rules revision, Other working groups or panels as deemed necessary	Complete
GRG	75	That the representative imbalance in the current make-up of Council be addressed by provision for a further 21 positions which would see the Council with a membership of 79.	Complete

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GRG	76	That a review of the roles and membership of both the AGM and overall Council membership be undertaken with a view to proposals being presented to the 2020 AGM.	Complete
GRG	77	A plan of action to be agreed to progress over a three-year period to a situation where the gender balance in Council, Committee and AGM reflects at least 33.3% of each gender.	Time Bound Target
GRG	78	Given the exceptional circumstances in which the FAI finds itself and more importantly to start the process of rebuilding trust, faith and confidence in the Association and to progress the further work required, the Group recommend the appointment of an Interim Board for the period up to the AGM in July 2020. This new board would be appointed in accordance with the structures proposed in this report.	Complete
KOSI	Mod 1 KREC 1	<p>A new finance reporting pack is required in respect of reporting to Sport Ireland grant spends in FAI. This should include the following:</p> <p>1) At the beginning of each year FAI should issue Sport Ireland with an annual forecast of anticipated programme income and expenditure for the 4 areas of development. This forecast should identify funding to be received from all grantors supporting the 4 areas of development.</p> <p>2) At the beginning of each year FAI should issue Sport Ireland with a month by month forecast of the programme income and expenditure which the Sport Ireland grant will be allocated, The forecast should be supported with a detailed schedule of forecast expenditure, ie itemised staff which will be funded only by Sport Ireland</p> <p>3) FAI should submit quarterly reports to Sport Ireland which detail actual expenditure in programme area funded by Sport Ireland. This report should be presented in comparison to the month by month forecast set out at the beginning of the year with supporting variance analysis. The actual expenditure should be supported by a schedule of supporting transactions.</p> <p>4) FAI should retain a file of itemised programme expenditure funded by Sport Ireland and as reported in quarterly and year end reports. This should be supported by procurement, invoice and receipt records.</p>	Complete ¹
KOSI	Mod 1 KREC 2	Staff salary costs should be based on actuals paid to employees, ie reconcile with payslips and P60 records. If staff perform dual roles or other duties a breakdown/reconciliation should be provided to Sport Ireland.	Complete

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KOSI	Mod 1 KREC 3	It is the responsibility of FAI to keep Sport Ireland fully informed of any and all staff changes (starters/leaveers/movers) arising in programmes funded by Sport Ireland.	Complete
KOSI	Mod 1 KREC 4	*NOT FOR PUBLIC RELEASE BASED ON LEGAL ADVICE: There should be clear reconciliation between records held by FAI HR in relation to staff payments arising from contracts of employment and actual payments disbursed. There should be a 3 way match between reports issued to grantors, payroll records and HR records.	Complete
KOSI	Mod 1 KREC 5	All expenses should be supported with invoices/receipts and should only be approved if in line with FAI expenses Policy.	Complete
KOSI	Mod 1 KREC 6	*NOT FOR PUBLIC RELEASE BASED ON LEGAL ADVICE: All personal fuel or other expenditure should be calculated, identified and adjustments made in reports to Sport Ireland. All benefits in kind relating to fuel and other expenditure should be appropriately reported to the Revenue Commissioners.	Complete
KOSI	Mod 1 Rec 7	FAI should move to a procedure where purpose of expenditure is pre-approved and claims are submitted following sign off to reimburse staff on an ex-post basis for expenditure incurred in respect of FAI business.	Complete (Phase 1)
KOSI	Mod 1 Rec 8	All programme expenditure relating to supplies should be in compliance with good procurement practice using approved contracts, running competitions or seeking competitive quotations above de minimis values.	Complete (Phase 1)
KOSI	Mod 1 Rec 9	Receipts and invoices for all programme expenditure should be retained electronically or otherwise by FAI. Progress has been made in this area with the implementation of Sage 200 in FAI.	Complete
KOSI	Mod 1 Rec 10	Given the importance of the programme, a procedure for accounting for Dormant Accounts funding should be implemented in FAI to ensure there is a verifiable audit trail related to the expenditure.	Complete

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KOSI	Mod 1 Rec 11	Every player on the WNT panel should complete and sign a player declaration as to eligibility and adherence to codes of conduct on a regular basis. This will enable confirmation of existence of player and verification of services provided. Players should be set up a verified suppliers on the accounts payable system, bank details validated and paid by bank transfer unless exceptional circumstances arise.	Complete
KOSI	Mod 1 Rec 12	FAI does not seek or retain individual metrics, targets and records of achievement for staff roles supported by grant funding. Individual performance plans, metrics and records of achievement against those plans should be part of the modus operandi of the FAI to allow value for money to be assessed and reported on to funding bodies	Complete
KOSI	Mod 1 Rec 13	The engagement of auxiliary coaches should be justified, budgeted for and approved by Programme Directors. Development Officers should not be allowed to engage auxiliary coaches directly.	Complete
KOSI	Mod 1 Rec 14	The FAI should appoint a compliance officer to confirm compliance with good governance. This should also include for compliance with grant terms and conditions for Sport Ireland and other bodies providing funding to the FAI.	Complete
KOSI	Mod 1 Rec 15	Sport Ireland should have a line of sight into the financial status of the FAI. At a minimum this should include for Sport Ireland visibility of FAI cash forecasts on a quarterly basis.	Complete
KOSI	Mod 1 Rec 16	If funding is restored in the future it should be claimed and paid only after expenditure has been incurred. In practice this may require the use of a float system	Complete
KOSI	Mod 2 Rec 1	A Financial Transformation plan should be prepared by FAI taking into account this report. The Financial Transformation plan should be agreed with Sport Ireland with timelines agreed for completion of specific actions and milestones. Items to be included in such a plan are identified in Section 4.	Complete (Phase 1)
KOSI	Mod 2 Rec 2	With Immediate effect, FAI Finance needs to be at the centre of all decisions having a financial impact on the Association. This may include the establishment of an expenditure approval committee for expenditure, finance presence at recruitment planning decisions, finance presence at all procurement planning decisions.	Complete

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KOSI	Mod 2 Rec 3	The FAI should carry out such training as required across the FAI in financial management and financial procedures.	Complete
KOSI	Mod 2 Rec 4	In order to ensure a sufficient segregation of power and to enable a challenge function, future Chief Executives should not be a member of the FAI Board	Complete
KOSI	Mod 2 Rec 5	Policies and protocols for business cases, options appraisal and business justifications to be approved by the Board and implemented for all expenditure over €50k.	Complete
KOSI	Mod 2 Rec 6	Procurement policy, approval limits and rules on tendering should be implemented. The FAI should establish a contract register.	Complete
KOSI	Mod 2 Rec 7	Process documentation covering internal controls for each financial process including accounts payable, accounts receivable, bank and cash control, procurement, grant administration should be implemented. This should include a chart of authority relating to financial approval. Furthermore, the FAI should develop a financial procedures manual and roll out of the manual across the organisation. This will include T&S policy and procedures.	Complete
KOSI	Mod 2 Rec 8	It is recommended that FAI request Danske to formally confirm the write down of €12.5m and to clarify the "PAYMENT" entries in the loan statements.	Complete
KOSI	Mod 2 Rec 9	A policy and procedural move should be implemented to move to ex ante control. This should include a structured reduction in the number of credit cards in use in FAI. A target of 15 only credit cards is recommended. Reclaim of travel and subsistence should be implemented similar to standard business operating protocols.	Complete
KOSI	Mod 2 Rec 10	Clear terms of reference and appropriate training should be provided to the Finance Committee and the Audit and Risk Committee	Complete

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KOSI	Mod 2 Rec 11	The complement of staff in the finance division needs to be reviewed. The staffing should include for credit control, financial systems development, an additional accountant to support commercial accounting (banking, joint ventures, sponsorship, ticketing, business case and business justification). In addition, given capacity constraints, the FAI should consider outsourcing specific functions within finance where practical.	Complete
KOSI	Mod 2 Rec 12	The FAI requires to include internal audit and compliance functions as part of its organisational structure with internal audit reporting to a designated audit and risk committee	Complete
KOSI	Mod 2 Rec 13	The FAI needs to establish a Remuneration Committee as a sub-committee of the main Board. The FAI should establish the Audit & Risk Committee as a sub-committee of the main Board.	Complete
KOSI	Mod 2 Rec 14	The FAI needs to put in place an enhanced financial reporting pack to be made available to the finance committee and the main Board. This must include: - cash flow positions - cash flow forecasts - summaries of outstanding liabilities and timing obligations	Complete
KOSI	Mod 2 Rec 15	The FAI needs to implement a financial forecasting system database that can retain history rather than be subject to loss of audit trail and overwrite as is the case with the current excel system.	Complete
KOSI	Mod 2 Rec 16	The FAI needs to ensure job descriptions, role profiles and performance metrics are in place for all employees and contractors.	Complete
KOSI	Mod 2 Rec 17	The John Giles Foundation should be a separate and registered entity (charity) with its own stand-alone banking and accounting arrangements.	Complete
KOSI	Mod 2 Rec 18	The FAI should not transfer funds from ETB bank accounts to other FAI bank accounts to fund operations.	Complete
KOSI	Mod 2 Rec 19	All material financial information should be brought to the finance committee and to the main Board.	Complete

Summary Update on Overall MOU Position (22nd December 2023)

KOSI	Mod 2 Rec 20	Reasons for exit and terminations should be clearly documented and structured exit process managed by HR in all cases. All termination packages should be disclosed in the AFS in line with the requirements of FRS 102.	Complete
KOSI	Mod 2 Rec 21	Protected disclosures (whistleblowing), complaint process and employee protections should be reviewed and where necessary strengthened and all employees made aware/reminded of their protections under these processes.	Complete
KOSI	Mod 2 Rec 22	Transparent and documented procedures for the disbursement of grants from FAI should be put in place with approval obtained from the Board. Implementation of these procedures should be part of internal audit review.	Complete
KOSI	Mod 2 Rec 23	A policy and procedure needs to be put in place for the retention of documentation relating to key financial matters. This should extend beyond 6 years. The retention of documentation in relation to long term debt is necessary.	Complete
KOSI	Mod 2 Rec 24	FAI should consider findings in this report in respect of AFS disclosures	Complete
KOSI	Mod 2 Rec 25	Risk management procedures need to be embedded within the FAI.	Complete
KOSI	Mod 2 Rec 26	FAI should implement central administration in relation to travel and accommodation supported by open procurement and contract arrangements.	Complete
KOSI	Mod 2 Rec 27	The FAI should complete a review and resolution of non-value added legacy contracts.	Complete
KOSI	Mod 2 Rec 28	FAI should implement a strategy aimed at embedding a culture of control and prudence to create confidence in the rigour of financial management within the organisation.	Complete
KOSI	Mod 2 Rec 29	A Chief Executive Officer should have a term of office of between 5 and 7 years. At the end of that term there should be a procedure in place which ensures the Association carries out a transparent process of performance review and appraisal prior to extension/renewal of a Chief Executive Officer's term.	Complete

Summary Update on Overall MOU Position (22nd December 2023)

KOSI	Mod 2 Rec 30	The Rule Book of the FAI should be fully reviewed and fully aligned with best governance practice. Directors and staff of the FAI should be trained in their duties under these rules.	Complete
MOU	MOU 1	Conduct a formal review of, and make recommendations regarding, the FAI constitution, Council and AGM. The review will be commenced immediately and completed by mid-2021, in consultation with Sport Ireland and overseen by the Governance Oversight Group, which will consider amongst other issues the definition of membership, entitlement and future composition, role and function of the Council, if any, and the role of the AGM. Implementation of all of the recommendations must be completed by the end of June 2022.	Complete
MOU	MOU 2	In accordance with Recommendation 66 of the Governance Review Group report, review and agree a process for the change to Council membership taking into account and acknowledging the service of current members with a view to retiring Council members with greater than 10 years' service by July 2020.	Complete
MOU	MOU 3	Amend the Rulebook of the Association to state that past Board Members are, with immediate effect, ineligible for membership of FAI Board Committees.	Complete
MOU	MOU 4	Fully implement the Governance Review Group recommendations by the end of 2020.	Time Bound Target
MOU	MOU 5	Amend the Association's Rulebook and Memorandum and Articles of Association by July 2020 to provide that 6 of the 12 Board Members (including the independent Chairperson) will be independent directors.	Complete
MOU	MOU 6	Expedite Recommendation 8 of the Governance Review Group Report and, by September 2020, appoint a person to lead, drive and take responsibility for the corporate governance reform agenda and establish a new Governance Oversight Group (as provided for in FAI Rule 15.3), to be chaired by Sport Ireland, comprised of FAI Board representatives (one independent director and one ordinary director) and Sport Ireland representatives to oversee progress on implementation of Governance Review recommendations and oversee implementation of governance reforms over the lifetime of this agreement.	Complete
MOU	MOU 7	The Governance Oversight Group will formally meet at least once per annum with senior officials of the Department of Transport, Tourism and Sport to review the progress of FAI reform and the implementation of this Memorandum of Understanding.	Complete

Summary Update on Overall MOU Position (22nd December 2023)

MOU	MOU 8	Ensure that quarterly progress reports to be provided to Sport Ireland are formally approved by the Board of the FAI prior to submission.	Complete
MOU	MOU 9	In accordance with Recommendation 63 of the Governance Review Group report, the FAI should establish an Assessment Panel (further composition to be agreed with Sport Ireland but this will include external representation) to consider and assess the particular skills and competencies of those nominated for FAI Board membership as football representatives, against the specific criteria to ensure all candidates are suitably qualified to oversee the governance and accountability framework required.	Complete
MOU	MOU 10	In accordance with Recommendations 53 and 62 of the Governance Review Group report, all future chairpersons of the FAI should be independent and appointed through an independent process agreed with Sport Ireland.	Complete
MOU	MOU 11	A revised travel and match ticketing (home and away) policy to be approved by the Board and agreed with the Governance Oversight Group.	Complete
MOU	MOU 12	Conduct a Review of Board Effectiveness and provide the results and report of same to Sport Ireland. Thereafter, commission an independent review of Board Effectiveness every 3 years.	Complete
MOU	MOU 13	Adopt the Governance Code for Sport by the date of the FAI AGM in 2021	Complete
MOU	MOU 14	Commit to the target of 40% female membership of the FAI Board, Council and all Committees by the end of 2023	Complete (Phase 1)
MOU	MOU 15	Fully implement the high risk recommendations set out in the KOSI audit as a priority and no later than by 30 June 2020.	Complete
MOU	MOU 16	Fully implement all KOSI audit recommendations by 31 December 2020	Time Bound Target

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MOU	MOU 17	Immediately develop a risk management policy and prioritise the implementation of a comprehensive risk management system across the whole organisation, in accordance with Recommendation 15 of the Governance Review Group report. The Risk Management Framework, as approved by the Board of the FAI will be submitted to Sport Ireland along with annual confirmation of the monitoring of its overall effectiveness.	Complete
MOU	MOU 18	Immediately establish an Audit, Risk and Compliance Committee in accordance with Recommendation 23 of the GRG report.	Complete
MOU	MOU 19	Immediately make arrangements for the establishment and resourcing of an internal audit function, in accordance with recommendation 24 of the GRG Report.	Complete
MOU	MOU 20	Establishment of a Liaison Group with Sport Ireland to meet quarterly to oversee implementation of a detailed plan, with specific timelines to be prepared and agreed.	Complete
MOU	MOU 21	Ensure progress reports are formally approved by the Board of the FAI prior to submission to the Sport Ireland Liaison Group	Complete
MOU	MOU 22	Ensure quarterly updates are supplied by the Sport Ireland-FAI financial management liaison group to the Minister for Transport Tourism and Sport on progress until all recommendations have been implemented.	Complete
MOU	MOU 23	Provide Sport Ireland with quarterly financial reports for the Association's entire operations.	Complete
MOU	MOU 24	Provide the following to Sport Ireland annually: an overall rolling 3-year financial strategy for the Association; the annual Income and Expenditure budget, annual cash flow forecast and annual capital budget; the FAI's governance manual, as approved by the Board following its annual review	Complete
MOU	MOU 25	Provide reports to Sport Ireland that allow for the monitoring and oversight of the financial and cash flow position on a quarterly basis and report corrective actions as approved by the Board as necessary	Complete

Summary Update on Overall MOU Position (22nd December 2023)

MOU	MOU 26	Ensure the FAI Chairperson provides a comprehensive Annual Report to Sport Ireland regarding the system of internal control (similar in format to the statement required of State Bodies).	Complete
MOU	MOU 27	Conduct annual reviews of the effectiveness of the system of internal control which will be reported by the FAI Chairperson to Sport Ireland (similar in format to State Body requirements).	Complete
MOU	MOU 28	Commission independent expert advice on asset disposal and options to increase revenue generation, where appropriate, and to share this advice with the Minister for Transport Tourism and Sport	Complete
MOU	MOU 29	Commit to settling at the earliest opportunity all outstanding liabilities to players, clubs, leagues and other stakeholders including appearance fees, prizemoney, programme funding and funds committed to capital works.	Complete (Phase 1)
MOU	MOU 30	Commit to protect all low to middle-income earners employed at the FAI from compulsory redundancy for a period of 18 months, albeit this overriding principle should not constrain any essential restructuring within the organisation, but is envisaged only in exceptional circumstances.	Complete
MOU	MOU 31	Commit to provide to Sport Ireland, details of remuneration of all staff, including high performance coaches, in line with Department of Public Expenditure and Reform Circular 13/2014.	Complete
MOU	MOU 32	Provide assurances that no public funding will be used for any purposes other than those approved by Sport Ireland, including any part of the men's high performance programme.	Complete
MOU	MOU 33	Develop a new strategic plan for a period of between 3-5 years in compliance with good governance practice and aligned to the National Sports Policy 2018-2027 and submit strategic performance reports to SI twice annually which outline achievement against strategic priorities, objectives and targets within the strategic plan, and a review of expected outputs, outcome and key performance indicators.	Complete
MOU	MOU 34	Commit to the undertaking of an open and transparent public recruitment process (with appropriate Sport Ireland involvement to be agreed by Sport Ireland) for a new Chief Executive Officer (and Deputy CEO if a permanent Deputy CEO is envisaged).	Complete

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MOU	MOU 35	Provide a firm commitment that the remuneration of the CEO will be in line government pay guidelines(ie no greater than the remuneration of officers in the grade of Secretary General)	Complete (Phase 1)
MOU	MOU 36	Agree to appoint a majority of independent Directors to the FAI's remuneration committee which will conduct a full review of executive remuneration before the end of 2020 and make recommendations to the FAI Board.	Complete
MOU	MOU 37	Develop a new strategic plan for a period of between 3 – 5 years in compliance with good governance practice and aligned to the National Sports Policy 2018-2027.	Complete
MOU	MOU 38	Submit strategic performance reports to Sport Ireland twice annually which outline achievement against strategic priorities, objectives and targets within the strategic plan, and a review of expected outputs, outcomes and key performance indicators	Complete
MOU	MOU 39	Engage with clubs and players from the League of Ireland and Women's National League to draft a 5-year strategy to develop the Leagues and commit appropriate funding and other resources to implement this development strategy, recognising their national importance to the development of Irish football	Complete
MOU	MOU 40	Commit to support clubs in leveraging all sources of capital funding to improve League of Ireland grounds throughout the country and resources permitting to contribute to match funding required.	Complete

* Note: "Subject to" final actions being delivered by FAI by end Jan 2024, the Governance Oversight Group has agreed that this item can be marked as "Complete".

** Note: The Governance Oversight Group have deemed these items to be substantially complete (with understandable and acceptable mitigations).

1 Note: Between the last Governance Oversight Group meeting on 06.12.2023 and the submission of the report to the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media on 22.12.2023, the FAI completed further work on three specific items, which Sport Ireland reviewed and deemed satisfactory to mark as Complete (or Phase 1 Complete, as appropriate).